

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

Marksville, Louisiana

Compiled Financial Statements

June 30, 2019

DUCOTE & COMPANY
Certified Public Accountants
219 North Main Street
P. O. Box 309
Marksville, LA 71351

**AVOYELLES SOCIETY FOR THE
DEVELOPMENTALLY DISABLED, INC.
MARKSVILLE, LOUISIANA
June 30, 2019**

Table of Contents

	Page No.
Accountants' Compilation Report	1
Basic Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-12
Supplementary Information:	
Statement of Functional Expenses	14
List of Board Members	15

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Avoyelles Society of the
Developmentally Disabled, Inc.
Marksville, Louisiana 71351

Management is responsible for the accompanying financial statements of the governmental activities of the Avoyelles Society for the Developmentally Disabled, Inc., as of and for the year ended June 30, 2019, and related notes to the financial statements, which collectively comprise the Avoyelles Society for the Developmentally Disabled, Inc. basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying Statement of Functional Expenses and Schedule of Board Members are presented for purposes of additional analysis and are not required parts of the basic financial statements. This information is the representation of management. This information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information, and accordingly, do not express an opinion, a conclusion, nor provided any assurance on such information.

We are not independent with respect to Avoyelles Society for the Developmentally Disabled Inc. because we performed certain accounting and tax services during the fiscal year ended June 30, 2019, that impaired our independence.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
November 21, 2019

BASIC FINANCIAL STATEMENTS

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana
Statement of Financial Position
June 30, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$ 14,863
Accounts receivable	14,660
Total Current Assets	<u>29,523</u>

**Property and equipment,
net of accumulated depreciation**

343,267

TOTAL ASSETS

\$ 372,790

LIABILITES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 15,071
Accrued expenses	1,774
Notes payable, due within one year	8,055
Total Current Liabilities	<u>24,900</u>

Long term Liabilites

Notes payable, due in more than one year	<u>55,556</u>
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TOTAL LIABILITES

80,456

Net Assets

Without donor restriction	<u>292,334</u>
Total Net Assets	<u>292,334</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 372,790

See accompanying notes and accountants' compilation report.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
Marksville, Louisiana
Statement of Activities
Year Ended June 30, 2019

Revenues, Gains (Losses), and Other Support

Grants	\$ 245,836
Special Events	43,038
Client Service	23,156
Private Pay	5,018
Miscellaneous Revenue	<u>11,947</u>

Total Revenues, Gains (Losses), and Other Support	<u><u>328,995</u></u>
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Expenses

Program Services	
Adult day services	295,048
Client service activities	<u>22,004</u>
Total Program Services	<u>317,052</u>

Support Services	
Fundraiser expense	4,260
Management and general	<u>34,765</u>
Total Support Services	<u><u>39,025</u></u>

Total operating expense	<u><u>356,077</u></u>
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Change in Net Assets	(27,082)
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Net assets, beginning of year	<u>319,416</u>
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Net assets, end of year	<u><u>\$ 292,334</u></u>
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See accompanying notes and accountants' compilation report.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

**Marksville, Louisiana
Statement of Cash Flows
Year Ended June 30, 2019**

Cash flows from operating activities:	
Change in net assets	\$ (27,082)
Adjustments to change in net assets to net cash provided by (used in) operating activities:	
Depreciation	50,312
Decrease in accounts receivables	339
Increase in accounts payable	4,852
Increase in accrued expenses	469
Increase in deferred revenues	(1,035)
Net cash provided by (used in) operating activities	<u>27,855</u>
Cash flows from investing activities:	
Purchase of equipment	<u>-</u>
Net cash provided by (used in) investing activities	<u>-</u>
Cash flows from financing activities:	
Principal payments on long-term debt	<u>(20,224)</u>
Net cash provided by (used in) financing activities	<u>(20,224)</u>
Net increase (decrease) in cash	7,631
Cash, beginning of year	<u>7,232</u>
Cash, end of year	<u>\$ 14,863</u>
Supplemental disclosure:	
Interest paid	<u>\$ 3,613</u>

See accompanying notes and accountants' compilation report.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health and Hospitals Title XIX Day Developmental Training Services.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. FINANCIAL STATEMENT PRESENTATION

Accounting Pronouncement Adopted

In August 2016, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update No. 2016-14- *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these consolidated financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources, as well as the functional allocation of expenses. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. The Foundation adopted the provisions of this ASU during the year ended June 30, 2019.

Net Assets without Donor Restrictions

Net assets without donor restrictions generally result from revenues generated by receiving contributions that have no donor-imposed restrictions, and from receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. Net assets without donor restrictions are available for use at the discretion of the Board of the Organization and management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

A. FINANCIAL STATEMENT PRESENTATION (continued)

Accounting Pronouncement Adopted (continued)

Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires.

The changes resulting from the implementation of this new standard have the following effect on net assets at July 1, 2018.

	<u>Amounts under</u> <u>FASB ASC 958</u>	<u>Reclassifications</u>	<u>"as adjusted"</u> <u>Amounts under</u> <u>ASU No. 2016-14</u>
Net assets:			
Unrestricted	\$ 319,416	\$ (319,416)	\$ -
Without donor restrictions	-	319,416	319,416
	<u>\$ 319,416</u>	<u>\$ -</u>	<u>\$ 319,416</u>

B. BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. (GAAP). Under this method, revenues are recognized when earned, and expenses are recorded at the time the liabilities are incurred.

C. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents are comprised of interest-bearing deposits which are stated at costs, which approximates market. All short-term investments are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months.

D. COMPENSATED ABSENCES

Vacation and sick leave are recorded as expenditures of the period in which paid. Employees accrued balances do not carry forward from year to year.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

E. 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. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Avoyelles Society for the Developmentally Disabled, Inc. and recognize a tax liability (or asset) if the Avoyelles Society for the Developmentally Disabled, Inc. has undertaken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service.

Management has analyzed the tax positions taken by the Avoyelles Society for the Developmentally Disabled, Inc. and has concluded that as of June 30, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Avoyelles Society for the Developmentally Disabled, Inc. is subject to routing audit by taxing jurisdictions; however, there are currently no audits for any tax period in progress.

F. FIXED ASSETS

Fixed assets are recorded at historical cost. It is the Avoyelles Society for the Developmentally Disabled, Inc.'s policy to capitalize all fixed assets. Fixed assets are being depreciated over their estimated useful lives using the straight-line method. The range of estimated useful lives is as follows:

Buildings and improvements	30 years
Furniture and fixtures	3-5 years
Machinery and equipment	5-8 years
Training equipment	5-8 years
Transportation equipment	4 years

G. FUNTIONAL ALLOCATION OF EXPENSES

The costs of providing various program and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

H. PUBLIC SUPPORT AND REVENUE

Avoyelles Society for the Developmentally Disabled, Inc. receives funding primarily from Medicaid. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as with donor restrictions that increases those net asset classes. When restrictions expire (either by expiration of a stipulated time restriction or the purpose restriction is accomplished), the net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statement of actives as net assets released from restrictions.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 support and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

J. ADVERTISING COSTS

Various forms of advertising are used to promote its program amongst the audience it serves. Advertising expense for the year ended June 30, 2019 was \$ 2,790.

K. DONATED SERVICES AND MATERIALS

Contributed services are recognized at fair value if the service received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. No amounts have been included in the financial statements for the donated services of volunteers because the criteria for recognition of such volunteers' efforts have not been satisfied.

L. REVENUE RECOGNITION

Revenues from Medicaid and grants are recorded or accrued as revenues when earned. All other revenues are recorded when received.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CONCENTRATION OF CREDIT RISKS

The Avoyelles Society for the Developmentally Disabled, Inc.'s cash is deposited in multiple financial institutions. Cash accounts at June 30, 2019 are insured by the FDIC up to \$250,000. Cash deposits at June 30, 2019 did not exceed the FDIC limit.

NOTE 3. ACCOUNTS RECIEVABLE AND ALLOWACE FOR DOUBTFUL ACCOUNTS

At June 30, 2019, accounts receivable of \$14,660 consisted of amounts due from the Medical Assistance Program-MR/DD Waiver Services. The organization considers this receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded in these financial statements.

NOTE 4. GRANTS

The Society received the following grants during the fiscal year ended June 30, 2019:

MR/DD Waiver Services	\$ 214,167
Dept of Transportation and Development	20,000
United Way	11,669
Total	<u>\$ 245,836</u>

NOTE 5. FIXED ASSETS

A summary of fixed assets is as follows:

Land	\$ 2,000
Building and improvements	464,908
Furniture and fixtures	3,753
Machinery and equipment	54,109
Training equipment	12,880
Transportation equipment	267,643
Totals	<u>805,292</u>
Less accumulated depreciation	<u>(462,025)</u>
Fixed assets, net	<u>\$ 343,267</u>

Depreciation expense for the year ended June 30, 2019 was \$50,312.

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. NOTES PAYABLE

On December 1, 2016, the Society entered into a loan with the Cottonport Bank in the amount of \$85,478. The note payable is due in monthly installments of \$938 with a balloon payment due at maturity, with an interest rate of 5.75 percent and a maturity date of December 2021. The note is secured by the land and building listed in Note 5 and has a principal outstanding of \$63,611 at June 30, 2019. Future debt service requirements are:

Year Ending June 30	Principal	Interest	Total
2020	\$ 8,055	\$ 3,196	\$ 11,252
2021	8,273	2,979	11,252
2022	47,283	1,308	48,591
Totals	<u>\$ 63,611</u>	<u>\$ 7,483</u>	<u>\$ 71,094</u>

NOTE 7. LINE OF CREDIT

On June 22, 2012, the Society was approved for a line of credit in the amount of \$50,000 with The Cottonport Bank. There were no funds drawn on the line of credit as of June 30, 2019.

NOTE 8. COMPENSATION BENEFITS AND OTHER PAYMENTS TO DIRECTORS

A detail of compensation benefits and other payments made to Ashley Martin for the year ended June 30, 2019 is as follows:

Interim Director Ashley Martin	
Purpose	Amount
Salary	\$ 29,008
Benefits-payroll taxes	2,283
Total	<u>\$ 31,291</u>

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.
June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. DEFERRED ANNUITY CONTRACT

The Society established a tax-deferred annuity arrangement, effective January 1, 2011, under the provisions of Section 403(B) of the Internal Revenue Code. Under the plan, eligible employees may select a salary reduction up to the maximum allowable annual amount as established by Section 402 (g) of the Internal Revenue Code. No employer contributions are made to the plan.

NOTE 10. LITIGATION

There was no litigation pending against the Avoyelles Society for the Developmentally Disabled, Inc. at June 30, 2019.

SUPPLEMENTARY INFORMATION

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>		<u>Support Services</u>		
	Adult Day Services	Client Services	Management and General Expenses	Fundraiser Expenses	Total
Expenses:					
Salaries	\$ 142,833	\$ 7,893	\$ -	\$ -	\$ 150,726
Payroll taxes	11,477	1,636	-	-	13,112
Accounting	-	-	19,500	-	19,500
Advertising	-	-	2,790	-	2,790
Bank charges and fees	-	-	752	-	752
Depreciation expense	50,312	-	-	-	50,312
Dues and memberships	-	-	1,014	-	1,014
Employee Travel	233	-	-	-	233
Insurance	41,113	-	-	-	41,113
Interest Expense	-	-	3,613	-	3,613
Licenses and permits	-	1,035	1,600	-	2,635
Maintenance and repairs	6,306	-	-	-	6,306
Miscellaneous expense	135	100	-	-	235
Office Supplies	-	-	5,227	-	5,227
Supplies	4,524	11,340	269	4,260	20,393
Telephone	2,146	-	-	-	2,146
Transportation	24,662	-	-	-	24,662
Utilities	11,307	-	-	-	11,307
Totals	\$ 295,048	\$ 22,004	\$ 34,765	\$ 4,260	\$ 356,077

AVOYELLES SOCIETY FOR THE DEVELOPMENTALLY DISABLED, INC.

**LIST OF BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2019**

Board Member	Address
Philip Bartell President	229 Highway 115 Mansura, LA 71350
Patrick Bordelon Vice President	143 Fins & Feathers Marksville, LA 71351
Darla Bordelon Secretary/Treasurer	P.O. Box 445 Mansura, LA 71350
Van Roy Board Member	P.O. Box 501 Marksville, LA 71351
John Gagnard Board Member	12526 Hwy 452 Marksville, LA 71351
Carl Champman Board Member	321 Borrel Street Marksville, LA 71351
Oscar Goody Board Member	P.O. Box 271 Moreauville, LA 71355
Beau Loughman Board Member	708 Highway 115 Mansura, LA 71350
Polly Campbell Board Member	545 Old Moncla Hwy Marksville, LA 71351

There are no expiration dates on board members' terms.