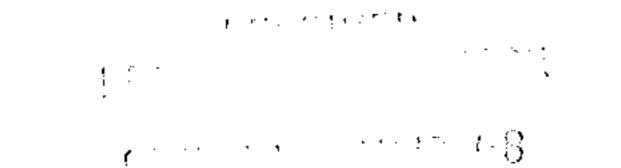
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Financial Report

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Terrebonne Association for Retarded Citizens, Inc.

Houma, Louisiana

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 NOV 2 4 1999

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June 30, 1999

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FINANCIAL SECTION

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors, Terrebonne Association for Retarded Citizens, Inc., Houma, Louisiana.

We have audited the accompanying general-purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, 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 general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Terrebonne Association for Retarded Citizens, Inc. as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with <u>Government Auditing Standards</u>, we have also issued our report dated September 22, 1999 on our consideration of the Terrebonne Association for Retarded Citizens, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

1340 West Turnel Blvd., Suite 430 P.O. Box 2168 Houma, LA 70361-2168 Phone (504) 868-0139 Fax (504) 879-1949

Certified Public| P.O. Box 60600Accountants | Consultants| New Orleans, LA 70160-0600A Limited Liability Company| Heritage Plaza, Suite 800| Phone (504) 831-4949| Fax (504) 833-9093

504 West Second Street P.O. Box 1205 Thibodaux, LA 70302-1205 Phone (504) 447-5243 Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Brugeoir Bennett, L.L.C.

Certified Public Accountants.

Houma, La., September 22, 1999.

Exhibit A

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<u>COMBINED BALANCE SHEET - GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS</u>

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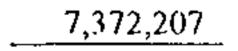
Terrebonne Association for Retarded Citizens, Inc.

June 30, 1999

	Governmental	Accoun	t Groups	
	Fund Type Special Revenue	General Fixed Assets	General Long-Term Obligations	Total (Memorandum Only)
ASSETS AND OTHER DEBITS				
Assets				
Cash	\$ 463,700	\$-	\$ -	\$ 463,700
Investments	2,399,399	-	-	2,399,399
Receivables:				
Accounts	30,812	-	-	30,812
Other	8,954	-	-	8,954
Due from other governmental units	133,790	-	-	133,790
Due from other funds	87,363	-	-	87,363
Prepaid insurance	58,230	-	-	58,230
Inventories	70,920	-	-	70,920
Deposits	6,422	-	-	6,422
Fixed assets	-	4,657,330	•	4,657,330
Other Debits				
Amount to be provided for retirement of				
general long-term obligations	<u> </u>		130,319	130,319
Total assets and other debits	\$ 3,259,590	<u>\$ 4,657,330</u>	<u>\$ 130,319</u>	<u>\$ 8,047,239</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payables and accrued expenditures	\$ 457,350		\$-	\$ 457,350
Due to other funds	87,363			87,363
Compensated absences payable			130,319	130,319
Total liabilities	544,713		130,319	675,032
Equity and Other Credits				
Investment in general fixed assets		\$ 4,657,330		4,657,330
Fund balances:				
Reserved:				
Inventories	70,920			70,920
Donations	53,583			53,583
Subsequent year expenditures	58,282			58,282
Unreserved - undesignated	2,532,092			2,532,092
Total fund balances	2,714,877			2,714,877

Total equity and other credits





Total liabilities, equity and other credits



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See notes to financial statements.

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Exhibit B

<u>COMBINED STATEMENT OF REVENUES, EXPENDITURES AND</u> CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**<u>GOVERNMENTAL FUND TYPE</u>**

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Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

	Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 2,203,002	\$ 2,292,737	\$ 89,735
Charges for services	1,777,729	1,811,075	33,346
Miscellaneous	245,500	267,952	22,452
Total revenues	4,226,231	4,371,764	145,533

Expenditures

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Current:

Health a	and we	lfare:
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Personal services	2,860,305	2,837,756	22,549
Supplies and materials	271,461	276,881	(5,420)
Other services and charges	533,385	510,778	22,607
Repairs and maintenance	169,046	179,149	(10,103)
Capital expenditures	617,447	583,587	33,860
Total expenditures	4,451,644	4,388,151	63,493
Deficiency of revenues			
over expenditures	(225,413)	(16,387)	209,026
Other Financing Sources (Uses)			
Operating transfers in	1,279,802	1,330,761	50,959
Operating transfers out	(1,279,802)	(1,330,761)	(50,959)
Total other financing sources (uses)		<u> </u>	⊷
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(225,413)	(16,387)	209,026
Fund Balance			
Beginning of year	2,731,264	2,731,264	
End of year	\$ 2,505,851	\$ 2,714,877	\$ 209,026



See notes to financial statements.

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Exhibit C

NOTES TO FINANCIAL STATEMENTS

Terrebonne Association for Retarded Citizens, Inc.

June 30, 1999

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Terrebonne Association for Retarded Citizens, Inc. (the Association) conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The Terrebonne Association for Retarded Children, Inc. was organized as a nonprofit

corporation on March 21, 1962. On March 1, 1979, the corporation's name was changed to Terrebonne Association for Retarded Citizens, Inc. The Association administers programs to provide for the needs of the mentally retarded. Tax exempt status has been granted under Internal Revenue Code Section 501(c)3.

The Association is fiscally dependent upon the Terrebonne Parish Consolidated Government (the Parish) for a significant amount of its intergovernmental revenue, accordingly the Association is a component unit of the Parish and as such, these component unit financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 1999.

The Association has reviewed all of its activities and determined there are no potential component units which should be included in its financial statements.

b) Fund Accounting

The Association uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide account-ability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Governmental Funds

Governmental Funds are those through which the governmental functions of the Association are financed. The acquisition, use and balances of the Association's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the Association:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Groups

Account groups are used to establish accounting control and accountability. The Association's Account Groups are as follows:

General Fixed Assets Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is used to account for general long-term obligations and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to <u>when</u> revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the <u>timing</u> of the measurements made, regardless of the measurement focus applied.

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Association's intergovernmental fundings are described in Note 3. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Association because they are generally not measurable until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued) **c**)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation and sick pay which is recognized when paid.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating Budgetary Data e)

The Association is a quasi-governmental entity which is not legally required to adopt budgets. Budgets for the Special Revenue Funds are adopted by the Board of Directors of the Association and submitted to the Parish for approval. The budget is adopted on an entity-wide basis. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end. Budgets are adopted on a basis materially consistent with generally accepted accounting principles.

Accounts Receivable f)

The financial statements of the Association contain no allowance for uncollectible accounts. 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 or operations of the funds.

Investments **g**)

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather

than market value to report net assets to compute share prices if certain conditions are met.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories

Inventories in the Governmental Fund consist of expendable materials, supplies and products held for sale. Inventories are valued at the lower of cost (first-in, first-out) or market. The cost is recorded as an expenditure at the time the individual inventory items are used or sold utilizing the consumption method.

i) Prepaid Insurance

The Association has chosen to record prepaid insurance in its accounting records.

j) Fixed Assets

Fixed assets used in governmental fund type operations (fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other fixed assets. No depreciation has been provided on fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Fixed assets with an estimated historical cost amounted to approximately \$538,390 or 11.56% of the total General Fixed Assets Account Group. Donated fixed assets are valued at their estimated fair value on the date donated.

k) Long-Term Obligations

For long-term obligations, only that portion expected to be financed from unexpendable available financial resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. At June 30, 1999, the Association's long-term obligations consisted of compensated absences payable; vacation and sick leave.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I) Vacation and Sick Leave

Accumulated vacation and sick leave are recorded as an expenditure of the period in which paid in all governmental funds.

Vacation benefits accrue each pay period of employment. The Association grants paid vacation time to regular, full-time employees who work at least 240 days per year according to their continuous length of service with the Association. The length of paid vacation time is as follows:

Years of service	Paid vacation allowance
Less than 1 year	None
1 year to 3 years	1 week

4 years to 10 years	2 weeks
11 years to 19 years	3 weeks
20 years and above	4 weeks

Employees are not allowed to carry forward more than 20 days per year.

All regular full-time employees who work 240 days or more per year are cligible for eight days of paid sick time each year. Those full-time employees who work less than 240 days per year are eligible for eight days of paid sick time each year and two personal days. Personal days will be given on the employee's anniversary date after one year of employment and will not be carried forward. Employees may accumulate a maximum of up to 30 days of paid sick time.

Upon resignation or termination, employees are paid for all accumulated vacation leave and one-half of unused sick time accrued by employees prior to November 9, 1993 provided the employee is in good standing. Payment for accrued sick time will be based on the employee's rate of pay on November 9, 1993. Employees are not paid for sick time earned after November 9, 1993.

In the governmental funds, all accumulated vacation and sick leave benefits are recorded in the General Long-Term Obligations Account Group.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Donations

Donations are reserved by the Association to set aside donated funds for future clientrelated expenditures as specified by the donor or the Association.

n) Allocation of Expenditures

The Association allocates all general and administrative costs to the various programs based upon total expenditures before the allocation in each fund at the end of its fiscal year.

o) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Association.

p) Memorandum Only-Total Columns

Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS AND INVESTMENTS

It is the Association's policy to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

Bank Deposits:

The Association is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. The Association, however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United

States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

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Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the Association or its agent in the Association's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the Association's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agent but not in the Association's name and deposits which are uninsured or uncollateralized.

The year end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

Donk Dalances

	D	Categ		Book
	1	2	3	Balance
Cash Other deposits:	\$136,157	\$ -	\$ 355,263	\$ 462,226
Certificates of deposit	500,000		700,000	1,200,000
Totals	<u>\$636,157</u>	<u>\$ -</u>	<u>\$1,055,263</u>	<u>\$1,662,226</u>

At June 30, 1999, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the Association. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments:

It is the Association's policy to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper rated AAA 1, 2 or 3; repurchase agreements; and the Louisiana Asset Management Pool.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

The Association's investments are categorized to give an indication of the level of risk assumed by the entity at year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the Association or its agent in the Association's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Association's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Association's name.

At year end the carrying amount of investments are as follows:

Risk Category			Carrying
<u> </u>	2	3	Amount
<u>\$300,000</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 300,000
			<u>899,399</u>
			<u>\$1,199,399</u>
	I	1 2	1 2 3

Investments in the Louisiana Asset Management Pool are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

A reconciliation of deposits and investments as shown on the Combined Balance Sheet is as follows:

Cash on hand	\$ 1,474
Carrying amount of deposits	462,226
Carrying amount of investments	<u>2,399,399</u>
Total	<u>\$2,863,099</u>
Cash	\$ 463,700
Investments	<u>2,399,399</u>
Total	<u>\$2,863,099</u>

Note 3 - FUNDING POLICIES

The Association receives federal and state funding on a per diem per client/unit basis and on a reimbursement for actual expenditure basis. Funding from the Office of Citizens with Developmental Disabilities (adult care) is received on a per diem/unit basis. Funding from the Department of Transportation and Development is received on a reimbursement basis. In addition, the Association performs prescribed habilitation services and residential care and housing services for assigned rates by Title XIX passed through the Office of Family Security.

The Association also receives contributions from the Parish. Monies from the Parish are from a 5.33 mill parish-wide ad valorem tax for the purpose of operating, maintaining and constructing facilities for the mentally retarded. Contributions from the Parish are reported as intergovernmental revenue and amounted to \$1,600,000 during the year ended June 30, 1999.

If significant budget cuts are made at the federal, state and/or local government levels the amount of 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 4 - DUE FROM OTHER GOVERNMENTAL UNITS

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Amounts due from other governmental units at June 30, 1999 consisted of the following:

State of Louisiana -	
Department of Health and Hospitals:	
Office of Family Security:	
Title XIX - Per diem	\$ 68,073
Office for Citizens with	
Developmental Disabilities:	
Adult Habilitation	45,363
Independent Apartment Living	5,501
Respite	4,331

Total State of Louisiana	123,268
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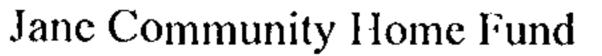
Terrebonne Parish Consolidated Government	4,288
Lafourche Parish Council	4,064
Other governmental units	2,170
Total	<u>\$133,790</u>

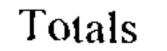
Note 5 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

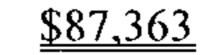
Interfund receivables and payables consist of the following at June 30, 1999:

<u>Individual Funds</u>	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
Special Revenue Funds:		
Operating Fund	\$80,819	\$-
School Fund	6,544	-
Adult Workshop Fund	-	31,491
Respite Fund	-	3,078
Independent Apartment Living Fund	-	4,254
Dixie Community Home Fund	-	18,703
Woodside Community Home Fund	-	15,731
Jane Community Home Fund		14,106

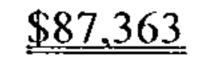
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Note 6 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July <u>1, 1998</u>	<u>Additions</u>	Deletions	Balance June 30, <u>1999</u>
Land and building Office furniture, equip-	\$2,656,269	\$402,481	\$-	\$3,058,750
ment and fixtures Machinery and equip-	480,156	117,435	28,443	569,148
ment	1,009,197	63,671	43,436	1,029,432
Totals	<u>\$4,145,622</u>	<u>\$583,587</u>	<u>\$71,879</u>	<u>\$4,657,330</u>

Note 7 - LONG-TERM OBLIGATIONS

A long-term liability for accumulated unpaid vacation and sick leave of \$130,319, which represents the Association's commitment to fund such costs from future operations, has been recorded in the General Long-Term Obligations Account Group at June 30, 1999.

The following is a summary of the changes in long-term obligations of the Association for the year ended June 30, 1999:

Long-term obligations, July 1, 1998	\$127,247
Net increase in accumulated unpaid	
vacation and sick leave	<u>3,072</u>

Long-term obligations, June 30, 1999 <u>\$130,319</u>

Note 8 - RISK MANAGEMENT

The Association is exposed to various risks of losses related to medical benefits provided to its employees. The Association currently reports all of its risk management activities in its Operating Fund. The Association provides coverage under an insurance contract for allowable medical claims up to \$1,000,000. The policy provides for a deductible up to a maximum of \$15,000 for each person per contract period. Incurred claims have not exceeded this commercial coverage in any of the past three fiscal years. Each employee pays

Note 8 - RISK MANAGEMENT (Continued)

a portion of an assessed "premium" depending upon the type of coverage. This "premium" is determined based upon recent trends in actual claims experience of the Association and other health care industry-related costs estimates. Claim expenditures are reported when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At June 30, 1999, \$60,916 was included in accrued expenditures for claim expenditure liabilities. This liability is the Association's best estimate based on information available. Changes in the reported liability during the past two years are as follows:

Beginning of Fiscal Year

Current Year Claims and Changes in

Balance at Fiscal

	Fiscal Year	Changes in	Claim	Fiscal
	Liability	<u>Estimate</u>	<u>Payments</u>	<u>Year End</u>
1997 - 1998	\$28,135	\$385,514	\$375,965	\$37,684
1998 - 1999	\$37,684	\$329,782	\$306,550	\$60,916

The Association is also exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Association carries commercial insurance. No settlements were made during the year that exceeded the Association's insurance coverage.

Note 9 - RETIREMENT PLAN

The Association established a Cash or Deferred Profit-Sharing Plan, under Internal Revenue Code Section 403 (b), for its eligible employees as of January 1, 1994. Under this plan participating employees are permitted to make elective deferrals in any amount from 1% to 20% of their compensation and the Association will match an amount equal to 50% of the amount contributed by the employee not to exceed 3.0% of the employee's compensation. Employees are fully vested immediately upon participating in the plan. The Association's cost of the plan for the year ended June 30, 1999 is \$25,727.

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Exhibit C (Continued)

Note 10 - RESERVES IN FUND BALANCE

A summary of changes in fund balance reserves follows:

	Balances July 1, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balances June 30, 1999
Inventory	\$ 70,778	\$ 70,920	\$ 70,778	\$ 70,920
Donations	50,964	116,388	113,769	53,583
Subsequent year expenditures	12,127	135,294	89,139	58,282
Building fund	320,000	-	320,000	-
Totals	<u>\$453,869</u>	<u>\$322,602</u>	<u>\$593,686</u>	<u>\$182,785</u>

The Association created the reserve for subsequent year expenditures to allow for future expenditures for the following:

Prepaid insurance	\$58,230
People first	52
Total	<u>\$58,282</u>

Note 11 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures exceeding appropriations:

	Budget	<u>Actual</u>	Unfavorable <u>Variance</u>
Special Revenue Funds:			
School Fund	\$ 168,405	\$ 173,829	\$ (5,424)
Adult Workshop Fund	2,223,115	2,231,116	(8,001)
Dixie Community Home Fund	391,468	394,302	(2,834)

The expenditures in excess of appropriations were funded by excess revenues or Operating Fund transfers.

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Note 12 - LETTER OF CREDIT

At June 30, 1999, a letter of credit amounting to \$10,000 relating to the local matching funds for Section 5310 - Elderly and Persons with Disabilities Transportation Capital Assistance Program to purchase equipment under State Project No. 736-99-0730 and Federal Project No. LA-16-0026 was outstanding.

Note 13 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 1999.

SUPPLEMENTARY INFORMATION SECTION

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SPECIAL REVENUE FUNDS

Operating Fund - Accounts for all financial resources used to provide for the needs of the mentally retarded except those required to be accounted for in another fund.

School Fund - Accounts for the financial resources used to provide for the educational needs of the mentally retarded through the School for Exceptional Children.

Adult Workshop Fund - Accounts for financial resources used to operate various day programs for the mentally retarded.

Respite Fund - Accounts for financial resources used to operate a program for the care of clients on a temporary basis.

Independent Apartment Living Fund - Accounts for financial resources used to assist clients with daily living expenses.

Dixie Community Home Fund - Accounts for financial resources used to provide for the needs of the residents of the Dixie Community Home.

Woodside Community Home Fund - Accounts for financial resources used to provide for the needs of the residents of the Woodside Community Home.

Jane Community Home Fund - Accounts for financial resources used to provide for the needs of the residents of the Jane Community Home.

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COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

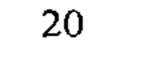
Terrebonne Association for Retarded Citizens, Inc.

June 30, 1999

	Operating Fund	School Fund	Adult Workshop Fund	Respite Fund	
Assets					
Cash	\$ 462,926	\$ -	\$ 774	\$-	
Investments	2,399,399	-	-	-	
Receivables:					
Accounts	-	-	30,812	-	
Other	7,945	-	775	5	
Due from other governmental units	6,234	-	49,651	4,331	
Due from other funds	80,819	6,544	-	-	
Prepaid insurance	52,204	756	3,797	211	
Inventories	18,112	-	52,808	-	
Deposits	6,112		** 		
Total assets	\$ 3,033,751	\$ 7,300	<u>\$ 138,617</u>	<u>\$ 4,547</u>	
Liabilities					
Accounts payable and					
accrued expenditures	\$ 371,682	\$ 7,300	\$ 54,318	\$ 1,469	
Due to other funds			31,491	3,078	
Total liabilities	371,682	7,300	85,809	4,547	
Fund Balances					
Reserved:					
Inventories	18,112		52,808		
Donations	53,583		-		
Subsequent year expenditures	58,282		~		
Unreserved - undesignated	2,532,092				
Total fund balances	2,662,069		52,808		
Total liabilities and fund balances	\$ 3,033,751	\$ 7,300	\$ 138,617	<u>\$ 4,547</u>	

Independent Apartment Living Fund	Community	Woodside Community Home Fund	Jane Community Home Fund	Total
\$-	\$-	\$-	\$-	\$ 463,700
-	-	-	-	2,399,399
-	-	-	-	30,812
+-	120	51	58	8,954
5,501	25,824	21,378	20,871	133,790
-	-	-	-	87,363
-	655	316	291	58,230
-	-	-	-	70,920
	80	115	115	6,422
<u>\$ 5,501</u>	<u>26,679</u>	<u>\$ 21,860</u>	<u>\$ 21,335</u>	<u>\$ 3,259,590</u>
\$ 1,247 4,254	7,976 18,703	\$ 6,129 15,731	\$ 7,229	\$ 457,350 87,363
4,2,34			14,106	
5,501	26,679	21,860	21,335	544,713
				70,920
				53,583
				58,282
				2,532,092
				2,714,877
<u>\$ 5,501</u>	26,679	\$ 21,860	<u>\$ 21,335</u>	\$ 3,259,590

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<u>COMBINING STATEMENT OF REVENUES, EXPENDITURES AND</u> <u>CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS</u>

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Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

	Operating Fund	School Fund	Adult Workshop Fund	Respite Fund	
Revenues					
Intergovernmental:					
State of Louisiana:					
Department of Health and Hospitals:					
Office for Citizens with Development	¢	\$ 135	\$ 520,761	\$ -	
Disabilities Department of Transportation	\$ -	4 155	φ 320,301	47	
Department of Transportation	60,621	_	-	-	
and Development Terrebonne Parish Consolidated	00,021				
Government	1,590,576	-	-	_	
Terrebonne Parish School Board	-	95,000	_	-	
Charges for services	157,807	9,314	643,296	36,868	
Miscellancous:	,	,	2		
Interest	113,564	-	-	-	
Donations and ducs	118,040	-	-	-	
Other	35,516		53	-	
Total revenues	2,076,124	104,449	1,164,110	36,868	
Expenditures					
Current:					
Health and welfare:				- 4 40 -	
Personal services	1,319,830	14,155	1,066,869	24,405	
Supplies and materials	141,525	262	97,975	1,034	
Other services and charges	191,872	19,047	187,891	4,313	
Repairs and maintenance	142,302	2,041	27,196	479	
Central administration and services	(1,420,866)	138,324	840,663	18,278	
Capital expenditures	539,008	- 	10,522		
Total expenditures	913,671	173,829	2,231,116	48,509	
Excess (deficiency) of revenues					
over expenditures (carry forward)	1,162,453	(69,380)	(1,067,006)	(11,641)	

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Independent	Dixie	Woodside	Jane	
Apartment	Community	Community	Community	
Living Fund	Home Fund	Home Fund	Home Fund	Total

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\$ 25,644 \$ - \$ - \$ 546,540

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60,621

38,214	179,789	91,086	103,408	2,837,756
1,303	10,720	11,486	12,576	276,881
3,891	35,801	33,743	34,220	510,778
175	2,733	1,506	2,717	179,149
26,471	163,659	106,354	127,117	-
197	1,600	2,135		583,587
70,251	394,302	246,310	310,163	4,388,151
10,863	(65,704)	47,484	(23,456)	(16,387)

-	-	-	-	1,590,576
-	-	-	-	95,000
54,691	328,598	293,794	286,707	1,811,075
_	-	_	-	113,564
-	-	-	-	118,040
779			-	36,348
81,114	328,598	293,794	286,707	4,371,764



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	Operating Fund	School Fund	Adult Workshop Fund	Respite Fund
Excess (deficiency) of revenues	1 1 (0 450			
over expenditures (brought forward)	1,162,453	(69,380)	(1,067,006)	(11,641)
Other Financing Sources (Uses)				
Operating transfers in:				
Operating Fund	-	69,380	967,755	11,641
Independent Apartment Living Fund	10,863	-	-	-
Dixie Community Home Fund	-	-	40,040	-
Woodside Community Home Fund	11,538	-	35,946	-
Jane Community Home Fund	-	-	27,199	-
Operating transfers out:				
Operating Fund	-	+	-	-
School Fund	(69,380)	-	-	-
Adult Workshop Fund	(967,755)	-	-	-
Respite Fund	(11,641)	-	-	-
Dixic Community Home Fund	(105,744)	-	-	-
Jane Community Home Fund	(50,655)			-
Total other financing sources (uses)	(1,182,774)	69,380	1,070,940	11,641
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(20,321)		3,934	
Fund Balances				
Beginning of year	2,682,390		48,874	
End of year	\$ 2,662,069	\$	<u>\$ 52,808</u>	<u> </u>

Schedule 2 (Continued)

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Independent	Dixie	Woodside	Jane	
Apartment	Community	Community	Community	
Living Fund	Home Fund	Home Fund	Home Fund	<u> </u>
10,863	(65,704)	47,484	(23,456)	(16,387)
-	105,744	-	50,655	1,205,175
-	-	-	-	10,863
-	-	-	-	40,040
-	-	-	••	47,484
-	-	-	-	27,199

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(10,863)	-	(11,538)	-	(22,401)
-	-	-	-	(69,380)
-	(40,040)	(35,946)	(27,199)	(1,070,940)
-	-	-	-	(11,641)
-	-	-	-	(105,744)
-				(50,655)
(10,863)	65,704	(47,484)	23,456	-

(16,387)

					2,731,264
<u> </u>		\$ 	\$ -	\$ -	\$ 2,714,877



STATEMENT OF REVENUES, EXPENDITURES AND CHANGES **IN FUND BALANCE - BUDGET AND ACTUAL - OPERATING FUND**

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Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

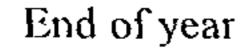
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 1,562,184	\$ 1,651,197	\$ 89,013
Charges for services	142,276	157,807	15,531
Miscellaneous	244,240	267,120	22,880
Total revenues	1,948,700	2,076,124	127,424

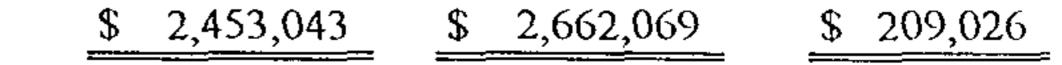
Expenditures

Current:

Health and welfare:			
Personal services	1,294,237	1,319,830	(25,593)
Supplies and materials	115,469	141,525	(26,056)
Other services and charges	254,780	191,872	62,908
Repairs and maintenance	136,896	142,303	(5,407)
Central administration and services	(1,420,866)	(1,420,866)	-
Capital expenditures	572,359	539,007	33,352
Total expenditures	952,875	913,671	39,204
Excess of revenues			
over expenditures	995,825	1,162,453	166,628
Other Financing Uses			
Operating transfers out	(1,225,172)	(1,182,774)	42,398
Deficiency of Revenues Over			
Expenditures and Other Uses	(229,347)	(20,321)	209,026
Fund Balance			

Beginning of year





2,682,390

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2,682,390

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SCHOOL FUND

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

Variance

Favorable

	Budget	Actual	(Unfavorable)
Revenues			
Intergovernmental	\$ 95,135	\$ 95,135	\$ -
Charges for services	8,625	9,314	689
Total revenues	103,760	104,449	689

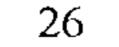
Expenditures

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Cunent.			

Health and welfare:			
Personal services	17,006	14,155	2,851
Supplies and materials	404	262	142
Other services and charges	11,051	19,047	(7,996)
Repairs and maintenance	1,620	2,041	(421)
Central administration and services	138,324	138,324	
Total expenditures	168,405	173,829	(5,424)
Deficiency of revenues over expenditures	(64,645)	(69,380)	(4,735)
Other Financing Sources			
Operating transfers in	64,645	69,380	4,735
Excess of Revenues and Other Sources Over Expenditures	<u> </u>	-	\$
Fund Balance			
Beginning of year		-	
End of year		<u> </u>	





<u>STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN</u> FUND BALANCE - BUDGET AND ACTUAL - ADULT WORKSHOP FUND

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

	 Budget	 Actual	Fa	'ariance worable favorable)
Revenues Intergovernmental Charges for services Miscellaneous	\$ 520,761 624,714 60	\$ 520,761 643,296 53	\$	- 18,582 <u>(7)</u>
Total revenues	 1,145,535	 1,164,110	. <u> </u>	18,575

Expenditures

Current:

Health and welfare:			
Personal services	1,080,991	1,066,869	14,122
Supplies and materials	108,339	97,975	10,364
Other services and charges	154,234	187,891	(33,657)
Repairs and maintenance	19,900	27,196	(7,296)
Central administration and services	840,663	840,663	-
Capital expenditures	18,988	10,522	8,466
Total expenditures	2,223,115	2,231,116	(8,001)
Deficiency of revenues over expenditures	(1,077,580)	(1,067,006)	10,574
Other Financing Sources Operating transfers in	1,081,514	1,070,940	(10,574)
Excess of Revenues and Other Sources Over Expenditures	\$ 3,934	3,934	<u> </u>
Fund Balance			
Beginning of year		48,874	
End of year		<u>\$ 52,808</u>	

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RESPITE FUND

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues Charges for services	<u>\$ 24,000</u>	<u>\$ 36,868</u>	<u>\$ 12,868</u>

Expenditures

Current:

Health and welfare:

Personal services	38,137	24,405	13,732
Supplies and materials	1,468	1,034	434
Other services and charges	2,720	4,313	(1,593)
Repairs and maintenance	220	479	(259)
Central administration and services	18,278	18,278	
Total expenditures	60,823	48,509	12,314
Deficiency of revenues			
over expenditures	(36,823)	(11,641)	25,182
Other Financing Sources			
Operating transfers in	36,823	11,641	(25,182)
Excess of Revenues and Other			
Sources Over Expenditures	<u>\$</u>	-	<u>_</u>
Fund Balance			
Beginning of year		_	
End of year		\$	



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<u>STATEMENT OF REVENUES, EXPENDITURES AND</u> <u>CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -</u> <u>INDEPENDENT APARTMENT LIVING FUND</u>

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

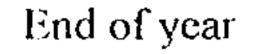
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 24,922	\$ 25,644	\$ 722
Charges for services	56,112	54,691	(1,421)
Miscellaneous	1,200	779	(421)
Total revenues	82,234	81,114	(1,120)

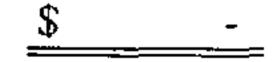
Expenditures

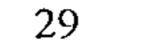
Current:

Excess of Revenues Over Expenditures and Other Uses	\$	-	<u>\$ - </u>
Other Financing Uses Operating transfers out	(6,956)	(10,863)	(3,907)
Excess of revenues over expenditures	6,956	10,863	3,907
Total expenditures	75,278	70,251	5,027
Central administration and services Capital expenditures	26,471	26,471 197	(197)
Repairs and maintenance	150	175	(25)
Other services and charges	3,171	3,891	(720)
Supplies and materials	1,553	1,303	250
Health and welfare: Personal services	43,933	38,214	5,719

Fund Balance Beginning of year







STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**DIXIE COMMUNITY HOME FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

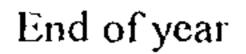
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues Charges for services	<u>\$ 325,524</u>	<u>\$</u> 328,598	\$ 3,074
E			

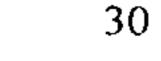
Expenditures

Current:

Health and welfare:

Personal services	173,266	179,789	(6,523)
Supplies and materials	14,662	10,720	3,942
Other services and charges	37,241	35,801	1,440
Repairs and maintenance	2,640	2,733	(93)
Central administration and services	163,659	163,659	←
Capital expenditures		1,600	(1,600)
Total expenditures	391,468	394,302	(2,834)
Deficiency of revenues over expenditures	(65,944)	(65,704)	240
Other Financing Sources Operating transfers in	65,944	65,704	(240)
Excess of Revenues and Other Sources Over Expenditures	\$	_	<u> </u>
Fund Balance Beginning of year		_	





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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -WOODSIDE COMMUNITY HOME FUND

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Terrebonne Association for Retarded Citizens, Inc.

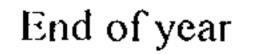
For the year ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues Charges for services	\$ 308,656	<u>\$</u> 293,794	<u>\$ (14,862)</u>
Expenditures Current:			

Health and welfare:

Personal services	102,586	91,086	11,500
Supplies and materials	14,238	11,486	2,752
Other services and charges	34,984	33,743	1,241
Repairs and maintenance	2,320	1,506	814
Central administration and services	106,354	106,354	-
Capital expenditures	500	2,135	(1,635)
Total expenditures	260,982	246,310	14,672
Excess of revenues over expenditures	47,674	47,484	(190)
Other Financing Uses			
Operating transfers out	(47,674)	(47,484)	190
Excess of Revenues Over Expenditures and Other Uses	\$	-	<u> </u>
Fund Balance Beginning of year			
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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -JANE COMMUNITY HOME FUND

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Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

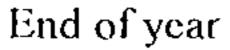
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues Charges for services	\$ 287,822	\$ 286,707	<u>\$ (1,115)</u>
Expenditures			

Current:

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Health and welfare:

Personal services	110,149	103,408	6,741
Supplies and materials	15,328	12,576	2,752
Other services and charges	35,204	34,220	984
Repairs and maintenance	5,300	2,717	2,583
Central administration and services	127,117	127,117	-
Capital expenditures	25,600	30,125	(4,525)
Total expenditures	318,698	310,163	8,535
Deficiency of revenues over expenditures	(30,876)	(23,456)	7,420
Other Financing Sources			
Operating transfers in	30,876	23,456	(7,420)
Excess of Revenues and Other Sources Over Expenditures	\$	-	<u> </u>
Fund Balance Beginning of year			



SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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Bourgeois Bennett

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

To the Board of Directors,

Terrebonne Association for Retarded Citizens, Inc.,

Houma, Louisiana.

We have audited the general-purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing</u>

Compliance

As part of obtaining reasonable assurance about whether the Association's general-purpose 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 <u>Government Auditing Standards</u>.

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 general-purpose 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 necessary 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

1340 West Tunnel Blvd., Suite 430 P.O. Box 2168 Houma, LA 70361-2168 Phone (504) 868-0139 Fax (504) 879-1949 Certified PublicP.O. Box 60600Accountants | ConsultantsNew Orleans, LA 70160-0600A Limited Liability CompanyHeritage Piaza, Suite 800Phone (504) 831-4949Fax (504) 833-9093

504 West Second Street
P.O. Box 1205
Thibodaux, LA 70302-1205
Phone (504) 447-5243



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 State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Brugeoir Bennett, L.L.C.

Certified Public Accountants.

Houma, La., September 22, 1999.

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SCHEDULE OF FINDINGS

Terrebonne Association for Retarded Citizens, Inc.

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?
- Reportable condition(s) identified that are not considered to be material weaknesses?

yes	<u>X</u> no

considered to be material weaknesses? _____yes \underline{X} none reported Noncompliance material to financial statements noted? _____yes \underline{X} no

b) Federal Awards

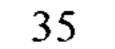
Terrebonne Association for Retarded Citizens, Inc. did not receive federal awards in excess of \$300,000 during the year ended June 30, 1999 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section II Financial Statement Findings

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

Section III Federal Award Findings and Questioned Costs

Not applicable.



<u>REPORTS BY MANAGEMENT</u>

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SCHEDULE OF PRIOR YEAR FINDINGS

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Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

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

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended June 30, 1998.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Association for Retarded Citizens, Inc. did not receive federal awards in excess of \$300,000 during the year ended June 30, 1998 and therefore was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1999

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

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

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended June 30, 1999.

Section II Internal Control and Compliance Material to Federal Awards

Terrebonne Association for Retarded Citizens, Inc. did not receive federal awards in excess of \$300,000 during the year ended June 30, 1999 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

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