

RED RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.

Balance Sheet

June 30, 1986

ASSETS

Current assets

Cash on hand and in bank
 including \$69,811 bearing interest \$ 69,811

Property and equipment at cost (Note 3)

Building	\$ 1,000	
Furniture, fixtures and equipment	24,842	
Automobiles	<u>3,310</u>	
	27,352	
Less Accumulated depreciation	<u>6,820</u>	21,532

Total Assets \$100,343

LIABILITIES AND FUND BALANCE

Liabilities \$ -

Fund Balance 100,343

Total Liabilities and Fund Balance \$100,343

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 13 1986

See accompanying notes to the financial statements.

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YOUNGBLOOD & HODGES

A PROFESSIONAL ACCOUNTING CORPORATION

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INDEPENDENT AUDITORS' REPORT

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No. 2 - 141

Board of Directors
Red River Association For
Retarded Citizens, Inc.
Cochituate, LA

We have audited the accompanying balance sheet of Red River Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 1966, and the related statements of support, revenue and expenses and changes in fund balance and financial position for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, GOVERNMENT AUDITING STANDARDS, issued by the comptroller general of the United States, and the provisions of office of Management and Budget circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." These standards and OMB Circular A-133 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 Red River Association for Retarded Citizens, Inc. as of June 30, 1966, and the results of its operations and changes in its financial position for the year then ended in conformity with generally accepted accounting principles.

Youngblood & Hodges
Youngblood & Hodges
Professional Accounting Corporation

October 23, 1966

RED RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.

Statement of Changes in Fund Balance

For the Year Ended June 30, 1986

Fund Balance - June 30, 1985	\$100,073
Excess (Deficiency) of revenue over expenses	12,700
Fund balance - June 30, 1986	<u>\$112,773</u>

See accompanying notes to the financial statements.

RED RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.

Statement of Revenues and Expenses

Year Ended June 30, 1994

	ARC	Red River Industries	Red River Total
Revenues:			
Division of Mental Retardation	\$188,000	\$ -	\$188,000
C-Sharp	20,491		20,491
Sales	-	126,200	126,200
Interest	1,328	1,328	2,656
Other	8,872	8,430	17,302
Total Revenue	226,791	134,358	361,149
Expenses:			
Accounting Services	1,480	-	1,480
Auto Expense & Travel	5,292	-	5,292
Building Maintenance	4,955	-	4,955
Building Rent	17,480	-	17,480
Client Expenses	-	4,865	4,865
Client Transportation	844	-	844
Contract Labor	-	18,614	18,614
Food Supplies	-	28,961	28,961
Housekeeping	3,651	-	3,651
Insurance	8,514	-	8,514
Kitchen Supplies	-	800	800
Miscellaneous	-	5,710	5,710
Non Hardware Expenses	-	8,262	8,262
Office Expenses	1,480	-	1,480
Other	811	-	811
Payroll Taxes	13,873	-	13,873
Salaries	155,422	98,674	254,096
Telephone	1,721	-	1,721
Utilities	3,241	-	3,241
Total Expenses	217,404	148,898	366,302
Revenue Over (Under) Expenses	9,387	(14,540)	(5,153)

See Accompanying Notes to the Financial Statements.

RED RIVER ASSOCIATION FOR HEMPARED CITIZENS, INC.

Statement of Changes in Financial Position

For the Year Ended June 30, 1988

Working capital was provided (used) by:	
operations:	
Excess (Deficiency) of public support & revenue over expenses	\$ 7,220
Items not requiring working capital - depreciation	<u> </u>
	<u>\$ 7,220</u>
Working capital was used for:	
Purchase of property and equipment	(1,145)
Increase (Decrease) in working capital	<u>\$ (8,925)</u>
Changes in working capital by component:	
Current assets - increase (decrease):	
Cash on hand and in bank	\$(8,925)
Current liabilities - increase (decrease):	\$ <u> </u>
Increase (Decrease) in working capital	<u>\$ (8,925)</u>

See accompanying notes to the financial statements.

RED RIVER ASSOCIATION FOR RETARDED CITIZENS, INC.

Notes to the Financial Statements

June 30, 1994

NOTE 1 Summary of Significant Accounting Policies

Organization and Operation

Red River Association for Retarded Citizens, Inc. (RRARC) was incorporated in 1978 as a non-profit corporation under the laws of Louisiana. Among the purposes of the organization are promotion of the general welfare of the mostly retarded and development of programs in their behalf.

RRARC sponsors a work program for its clients which operates under the name Red River Industries (RRI).

Income Taxes

The Internal Revenue Service has determined that RRARC is exempt from federal income tax under the provisions of Section 501 (c)(3) of the Internal Revenue Code of 1954.

NOTE 2 Funding from Division of Mental Retardation

RRARC receives funding from the State of Louisiana Division of Mental Retardation (DMR). Funding is provided under terms of a contract, which requires that RRARC provide adult day services to developmentally disabled citizens.

NOTE 3 Leases

RRARC leases the building that houses its operations from one of its employees on a month-to-month basis. The monthly rate is \$1,488, which is the amount for which the building was being leased prior to it being owned by the aforementioned employee.

NOTE 4 Significant Customer

Substantially all of the cash received from sales by RRI came from one customer.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS

To the Board of Directors of
Red River Association for Retarded Citizens, Inc.

We have audited the financial statements of Red River Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the year ended June 30, 1994, and have issued our report thereon dated October 23, 1994.

We have applied procedures to test Red River Association for Retarded Citizens, Inc.'s compliance with the following requirements applicable to its state contracts, which are identified in the accompanying schedule of state contracts, for the year ended June 30, 1994.

- Political activity
- Devlin-Becon Act
- Civil rights
- Cash management
- Allowable costs
- Drug-free workplace

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Educational Institutions and Other Nonprofit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Red River Association for Retarded Citizens, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Red River Association for Retarded Citizens, Inc. had not complied, in all material respects, with these requirements.

This report is intended for the information of the board of directors, management, and Louisiana Legislative Auditor.

However, this report is a matter of public record, and its distribution is not limited.

W. J. H. & H. H. H.
W. J. H. & H. H. H.
Professional Accounting Corporation

October 23, 1996

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

To the Board of Directors of
Red River Association for Retarded Citizens, Inc.

We have audited the financial statements of Red River Association for Retarded Citizens, Inc. (a nonprofit organization) for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Red River Association for Retarded Citizens, Inc. for the year ended June 30, 1996, we considered its internal control structure. 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 structure.

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

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls

- Cash
- Support, Receivables and Receipts
- Expenditures for Supporting Services and Accounts Payable
- Payroll and Related Liabilities
- Property and Equipment
- Governmental Financial Assistance Programs

Administrative Controls

- General Requirements
 - Political activity
 - Anti-bribe Act
 - Civil rights
 - Cash management
 - Allowable costs
 - Drug-free workplace

- Specific Requirements
 - Types of services allowed
 - Integrity

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We also noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

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


W. J. Hester
& Professional Accounting Corporation

October 23, 1994