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TABC
FINANCIAL STATEMENTS
JUNE 30, 1984

under provisions of state law, this report is a public document. A copy of the report has been furnished to the Auditor, or his/her officials. The report is available for public inspection at the Boston House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

release Date FEB 18 1985

TABC
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Board of Directors
September 17, 1988
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In accordance with Government Auditing Standards, I have also issued a report dated September 17, 1988, on my consideration of TASC's internal control structure and a report dated September 17, 1988, on its compliance with laws and regulations.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses on Page 17 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



TABC
BALANCE SHEET
JUNE 30, 1966

	CURRENT FUNDS	
	UNRESTRICTED	PLANT FUND
ASSETS		
Cash	\$ 15,274	
Accounts receivable	123,074	
Prepaid expenses and deposits	10,381	
Trust Investment		
Equipment and leasehold improvements at cost net of accumulated depreciation of \$33,157 at 6/30/66	_____	\$ 15,385
Total Assets	\$ 188,733	\$ 15,385
 LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 17,174	
Accrued payroll	4,280	
Payroll taxes payable	7,148	
Other payroll withholding liabilities	925	
Lease contracts		1,600
Fund balances:		
Unappropriated	123,293	
Investment in Plant		11,785
Restricted Public Support Fund	_____	_____
Total liabilities and Fund Balances	\$ 188,733	\$ 15,385

The accompanying notes are an integral part of this statement.

<u>ENTICEMENT</u> <u>FUND</u>	<u>TOTAL ALL</u> <u>FUNDS</u> <u>(MISCELLANEOUS</u> <u>CHRG)</u>		<u>TOTAL</u> <u>8-10-55</u>
	<u>8-10-54</u>	<u>8-10-55</u>	
	\$	18,374	\$ 60,648
		128,578	98,689
		19,385	400
\$ 18,967		18,967	19,983
<u> </u>		<u>19,385</u>	<u>20,847</u>
<u>\$ 18,967</u>	<u>\$</u>	<u>181,022</u>	<u>\$ 193,777</u>
		17,179	18,843
		8,299	8,811
		3,148	2,566
		625	819
		2,629	7,850
3,967		124,269	117,679
<u>15,028</u>		<u>11,765</u>	<u>33,897</u>
<u> </u>		<u>12,028</u>	<u>15,000</u>
<u>\$ 18,987</u>	<u>\$</u>	<u>183,083</u>	<u>\$ 183,777</u>

TARC
 STATEMENT OF CURRENT REVENUE AND EXPENSES
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1994

	<u>CURRENT FUNDS</u>	
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>
PUBLIC SUPPORT		
Contributions	\$ 7,689	
Radiothon	42,783	
Memberships	298	
Contributions - United Way	23,128	
Donated facilities	32,022	0
Total received directly	<u>135,920</u>	<u>0</u>
REVENUES		
Fees and grants from Governmental Agencies and private insurers	4,183	\$ 857,388
Interest income	1,328	
Miscellaneous	225	
Total revenues	<u>6,736</u>	<u>857,388</u>
Total Public Support and Revenues	<u>142,656</u>	<u>857,388</u>
EXPENSES		
Program services		706,836
Supporting services		
Management & general	87,289	
Legal and other trust expenses		
Total Expenses	<u>87,289</u>	<u>706,836</u>
EXCESS (DEFICIENCY) OF PUBLIC SUPPORT AND REVENUES OVER EXPENSES		
	<u>54,882</u>	<u>148,830</u>
OTHER CHANGES IN FUND BALANCES		
Operating transfers	(38,678)	39,830
Fund balances, beginning of year	226,022	30,150
FUND BALANCES, END OF YEAR	<u>\$ 157,324</u>	<u>\$ 70,810</u>

The accompanying notes are an integral part of this statement.

<u>PLANT FINE</u>	<u>EMPLOYMENT FUND</u>	TOTAL ALL FINES (MEMORANDUM ONLY)	TOTAL
		<u>6-30-76</u>	<u>6-30-85</u>
		7,888	\$ 8,310
		42,783	35,368
		230	265
		23,180	21,080
		<u>32,880</u>	<u>32,023</u>
<u>0</u>		<u>0</u>	<u>34,583</u>
		663,183	653,676
	\$ 884	2,884	3,488
		<u>228</u>	<u>628</u>
<u>0</u>	<u>884</u>	<u>664,388</u>	<u>657,628</u>
<u>0</u>	<u>884</u>	<u>170,182</u>	<u>752,638</u>
		186,818	657,628
		67,268	61,665
<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
<u>0</u>	<u>0</u>	<u>774,982</u>	<u>758,772</u>
<u>0</u>	<u>884</u>	<u>(3,242)</u>	<u>66,199</u>
\$ (1,332)	\$ 0	\$ 0	\$ 0
<u>12,887</u>	<u>28,882</u>	<u>188,972</u>	<u>361,308</u>
<u>\$ 11,385</u>	<u>\$ 28,882</u>	<u>\$ 187,022</u>	<u>\$ 358,970</u>

1988
STATEMENT OF CASH FLOWS
TOTAL ALL FUNDS
YEAR ENDED JUNE 30, 1988

	<u>1988</u>	<u>1987</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of support and revenues over expenses	\$ (3,945)	\$ 16,138
Adjustments to reconcile excess of support and revenues over expense to net cash provided by operating activities:		
Depreciation	5,483	5,489
(Increase) Decrease in:		
Accounts receivable	(27,373)	(23,372)
Prepaid expenses	(9,785)	0
Increase (Decrease) in:		
Accounts payable	11,683	5,854
Accrued payroll	12,323	16,261
Payroll taxes payable	948	(782)
Other payroll withholding liabilities	1	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	140,310	13,640
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	0	(1,644)
Purchase of U.S. Treasury bills	(884)	1422
NET CASH PROVIDED BY INVESTING ACTIVITIES	(884)	(222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term debt	(4,320)	(3,852)
NET CASH USED IN FINANCING ACTIVITIES	(4,320)	(3,852)
NET INCREASE (DECREASE) IN CASH	140,374	(23,864)
CASH, BEGINNING OF YEAR	60,648	82,432
CASH, END OF YEAR	\$ 20,274	\$ 58,568
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 1,356	\$ 1,369

The accompanying notes are an integral part of this statement.

TASC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1984

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

TASC is a private, non-profit organization whose purpose is to provide an early intervention program for children, birth to three years of age, with development needs or handicapped, or at risk of having developmental needs or handicaps. TASC also provides advisory services to individuals with disabilities.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Fund Accounting

In order to insure observance of limitations and restrictions placed on the use of resources available to TASC, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by the following groups:

The current unrestricted fund is used to account for all resources over which the Board of Directors has discretionary control to use in carrying on the operations of TASC. The principal sources of unrestricted funds are contributions, memorials, dues and fund raising activities such as the radiothon.

Current restricted funds are used to account for amounts restricted by donors. Such resources may originate from gifts, grants or contracts or other similar sources where the donor has specified the operating purpose for which the funds are to be used.

TARC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1986

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Plant fund is used to account for leasehold improvements, furniture and equipment used by the Association, and the related depreciation, computed on a straight-line basis, as well as the related secured installment obligations.

Endowment Funds include amounts which the donor has stipulated that the principal remain intact, with only the income used for operations of the Organization.

D. Income Taxes

TARC is exempt from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code, and therefore has made no provision for Federal income taxes.

E. Allocation of Supporting Service Expenditures

Certain overhead expenses have been allocated between Program services and Supporting services based on budgeted revenue for programs which last twelve months or more, and whose budgeted revenue exceeds \$50,000.

F. Cash and Cash Equivalents

TARC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

G. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the restricted fund balance. When a temporary restriction expires, temporarily restricted funds are reclassified to the unrestricted fund, and reported in the statement of activities as transfers from the restricted fund.

TRAC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1994

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fixed Assets

Fixed assets acquired by TRAC are considered to be owned by TRAC; however, state funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State has a reversionary interest in those assets purchased with its funds which have a cost of \$200 or more and an estimated useful life of at least one year.

TRAC follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$200. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

	Estimated Useful Life	Cost
Leasehold Improvements	5-10 years	\$ 3,857
Furniture and equipment	5-10 years	42,651
Vehicles	5 years	1,844
		<u>\$48,352</u>

Fixed assets have been recorded in the Plant Fund. Capital lease assets totaling \$12,778 are included in furniture and equipment, along with the related accumulated depreciation of \$1,183. Depreciation expense of \$2,482 includes capital lease amortization.

I. Functional Allocation of Expenses

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

J. 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 these estimates.

TWMC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1986

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.
CONTINUED

K. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns does not represent financial position, or results of operations and changes in fund balances in conformity with generally accepted accounting principles. This data is not comparable to a consolidation.

L. Summarized Financial Information for 1985

The financial information for the year ended June 30, 1986, presented for comparative purposes, is not intended to be a complete financial statement presentation. Certain amounts in the 1985 information have been reclassified to conform with the 1986 presentation.

NOTE #2: ACTIVATED RECEIVABLE

Receivables at June 30, 1986, are summarized below. TWMC anticipates that substantially all receivables will be collected and no provision for uncollectible receivables has been provided.

	<u>June 30,</u> <u>1986</u>
Due from State of Louisiana, Department of Health and Hospitals:	
- Infant Rehabilitation	\$ 67,304
Case Management	200
Office of Mental Retardation:	
80-223	1,385
Doc Part E Grant	28,478
Medicare	71,084
Other Receivables	4,833
	<u>\$ 133,004</u>

NOTE #3: ACCUMULATED VACATION AND LEAVE - EMPLOYEE BENEFIT

Employees of TWMC accrue annual vacation and leave at various rates and number of days. There is a six (6)

TRAC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE #3: ACCRUED VACATION AND LEAVE - EMPLOYEE BENEFITS
ACCOUNTING

with probationary period for all new employees prior to accruing any vacation or leave. Any vacation days carried over to the following fiscal year must be used by the 31st of August of that year or be forfeited. There was no accrued leave recorded at June 30, 1996.

NOTE #4: LIABILITIES AND CONTINGENCIES

TRAC receives a substantial portion of its revenues from Government grants and contracts which require the Organization to obtain a contract compliance audit of expenditures charged to the contracts. There may be subject to retrospective adjustments by third party payers. Management is not aware of any proposed adjustments and no provision for estimated retrospective adjustment has been provided.

NOTE #5: DONATED FACILITIES, MATERIALS, EQUIPMENT AND SERVICES

Donated facilities are reflected as revenue received directly from the public with a corresponding expense to program services in the amount of \$82,000. The estimated value was determined by inquiry of real estate agents in the general area.

TRAC records the value of donated goods or services when there is an objective basis available to measure their value.

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt. There were equipment donations valued at \$1,241 as of June 30, 1996. The value of donated services is not reflected in the accompanying financial statements because there is no objective basis available to measure the value of such services and the amount of time donated is immaterial.

TRAC was awarded a van by the Department of Transportation and Development, which will be delivered sometime in 1997. The Organization is required to pay 20% of the cost of the van, or \$5,785.

TABC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE #6: LEASES

TABC signed a five year lease on September 26, 1993 with the STATE of Louisiana, for a 6,488 square foot building located at 301 East Church Street, Hammond, Louisiana. The consideration was the mutual benefit, advantages, and convenience to be derived by the public in the operation of TABC. The donated facilities were valued at \$22,000 annually.

TABC leased an office building for sixty months for a monthly rent of \$800 in May, 1994. The lease expense for the year ending June 30, 1998, was \$7,200.

TABC leases certain office equipment which cost \$12,773, for a three year period under a capital lease agreement. Total lease payments for the year ending June 30, 1998, were \$5,019. The related amortization of \$9,393 is included in depreciation.

At June 30, 1998, future minimum payments required under leases were as follows:

	<u>Capital Leases</u>	<u>Operating Leases</u>	
1997	\$ 3,758	\$ 7,200	
1998	0	7,200	
1999	0	6,000	
2000	0	0	
Total minimum lease payments	3,758	20,400	
Amount representing interest	\$ (128)	\$	
Present Value of future minimum capital lease payments current portion	3,630	20,400	

NOTE #7: REARER REDUCTION PROGRAM

TABC offered its employees a 408(b) (7) salary reduction program. Participation in this program is voluntary, and TABC does not contribute to this program.

NOTE #8: TRUST FUNDS

TABC has been named beneficiary of an estate; however,

TABC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE 88: TRUST FUNDS, (CONTINUED)

the amount of these funds available to the Organization for unrestricted use has not been determined.

These funds were invested in a two year Treasury Note that pays interest of 6.5% in September and March, and matures September 30, 1998. At June 30, 1996, there was interest income in the amount of \$1,967, which is available for transfer to the unrestricted fund at the discretion of the governing board.

NOTE 89: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents - Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

Investments - Fair value approximates carrying value because the stated rates are similar to rates currently available to TABC with similar terms.

Bank loans payable and leases - Fair value approximates carrying value, since stated rates are similar to rates currently available to TABC for debt with similar terms and remaining maturities.

The estimated fair values of TABC's financial instruments at June 30, 1996, are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 15,274	\$ 15,274
Investments	16,967	16,967
Financial liabilities:		
Leases payable	3,630	3,630

TABC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE #10: CONCENTRATION OF CREDIT RISK

TABC maintains several bank accounts at two banks. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at both of these institutions did not exceed Federally insured limits.

SUPPLEMENTARY INFORMATION

IRAC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDING JUNE 30, 1978

	EMPLOYEE PROGRAMS	88-313	PART W FUNDS	MEDICARE
Salaries	\$ 281,555	\$	\$ 43,154	\$ 155,791
Payroll taxes and benefits	55,737		2,283	21,568
Total employee compensation	337,292		45,437	177,359
Affiliation fees				
Billing agent fees				8,350
Contract therapist services	9,395	8,078	82,847	38,468
Dues and subscriptions	427			197
Equipment	2,423	233		247
Fund raising expenses				
Insurance	9,825			5,031
Interest	495			628
Meeting expense				
Miscellaneous	6			679
Office expense	2,350	281		2,091
Postage	2,384			5,817
Professional services	5,730			8,187
Rent				7,208
Repairs and maintenance-buildings	7,888			3,072
Repairs and maintenance - office equipment	3,384			2,438
Repairs and maintenance - vehicles	2,304			
Supplies - general	487			338
Supplies - training	1,980	1,813		
Telephone	5,431			5,217
Training	1,638			828
Travel and seminars	12,614		8,963	13,136
Utilities	4,029			3,487
Van lease				
Total expenses before depreciation	73,768	3,602	83,810	86,433
Depreciation of Fixed Assets	2,325			1,887
Total Functional Expenses	\$ 282,425	\$ 3,602	\$ 133,163	\$ 176,822

The accompanying notes are an integral part of this statement.

CASE MANAGEMENT	TOTAL PROGRAM EXPENSES	SUPPORTING SERVICES	TOTAL EXPENSES (MEMORANDUM ONLY)	TOTAL
			8-10-56	6-10-55
\$ 5,383	\$ 385,693	\$ 18,714	\$ 396,807	\$ 428,933
400	83,308	4,878	84,783	52,143
5,883	468,901	23,592	492,188	481,094
	6,352	4,428	4,415	5,498
	337,781	2,488	8,352	7,482
	814	284	148,181	87,201
	3,183	8	2,098	717
	14,888	2,088	2,111	3,334
	1,821	1,203	2,089	4,431
	676	68	14,188	21,569
	5,793	2,085	2,188	1,100
	4,121	2,598	2,885	2,101
	18,887	318	2,375	2,790
	7,204	245	4,891	6,694
	18,130	273	4,386	3,733
		32,000	11,480	13,848
		237	29,280	29,280
			10,347	8,383
	5,880	277	6,157	4,088
	2,304		2,384	2,286
	825	39	884	922
	3,801	1,204	4,184	1,288
	10,828	888	31,713	11,248
	2,548	178	2,724	2,687
187	29,870	1,031	38,901	35,760
	7,688	484	8,091	7,219
				2,845
153	288,918	51,432	317,447	372,219
	5,883	208	5,458	5,488
\$ 9,758	\$ 784,918	\$ 81,202	\$ 779,867	\$ 1,188,382

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September 17, 1998

INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL/STATE FINANCIAL

Board of Directors
TRAC
Hammond, Louisiana

I have audited the basic financial statements of TRAC (a nonprofit organization), for the year ended June 30, 1998, and have issued my report thereon dated September 17, 1998. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these basic financial statements based upon my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The audit was conducted for the purpose of forming an opinion on the basic financial statements of TRAC, taken as a whole. The accompanying schedule of federal/state financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

James M. Campbell

TABLE
SCHEDULE OF FEDERAL/STATE AID
FOR THE YEAR ENDED JUNE 30, 1996

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>CFDA OR OTHER NUMBER</u>	<u>FY96-THROUGH GRANTOR'S NUMBER</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
<u>State Department of Health and Hospitals</u>			
Infant Rehabilitation *	140-1967	800188	\$ 282,455
Social Services 89-113	140-1199	83723	9,687
Case Management	990-1783	800284	8,750
<u>Department of Education</u>			
IDEA Part B*	84-181		<u>133,167</u>
Total			<u>\$ 430,959</u>

*Major Programs

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September 17, 1996

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

Board of Directors
TASC
Bassard, Louisiana

I have audited the financial statements of TASC (a nonprofit organization) for the year ended June 30, 1996, and have issued my report thereon dated September 17, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of TASC 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, 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.

In planning and performing my audit of the financial statements of TASC for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN ASSESS OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(UNCLASSIFIED)

design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

The reportable conditions noted are presented in the accompanying Schedule of Internal Control Structure Reportable Conditions.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

This report is intended for the information of the management and Board of Directors of TRAC, the Legislative Auditor's office, and the various granting agencies. However, this report is a matter of public record and its distribution is not limited.



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September 17, 1996

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
TWAC
Bossier, Louisiana

I have audited the financial statements of TWAC (a nonprofit organization) as of and for the year ended June 30, 1996, and have issued my report thereon dated September 17, 1996.

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

Compliance with laws, regulations, contracts, and grants applicable to TWAC is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of TWAC's compliance with certain provisions of laws, regulation, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management and Board of Directors of TWAC, the Legislative Auditor's Office and various granting agencies. However, this report is a matter of public record, and its distribution is not limited.



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September 17, 1998

MANAGEMENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS

Board of Directors
TRAC
Hammond, Louisiana

I have audited the financial statements of TRAC a nonprofit organization as of and for the year ended June 30, 1998, and have issued my report thereon, dated September 17, 1998. I have also audited the Organization's compliance with requirements applicable to major Federal/State and have issued my report thereon dated September 17, 1998.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether TRAC complied with laws and regulations, noncompliance with which would be material to a major Federal/State award program.

In planning and performing my audit of TRAC for the year ended June 30, 1998, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements of TRAC and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Federal/State award programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated September 17, 1998.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS
(CONTINUED)

The management of TASC 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, 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, and that Federal/State programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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, I have classified the significant internal control structure policies and procedures used in administering Federal/State awards in the following categories:

- A. Cash receipts and disbursements
- B. Program service fees, revenues and receivables
- C. Expenditures for program and supporting services and accounts payable.
- D. Payroll and related liabilities
- E. Property, equipment and capital expenditures
- F. Debt and other liabilities
- G. Government financial assistance programs

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

During the year ended June 30, 1986, TASC expended 98% of its total Federal/state awards under major programs.

I performed tests of controls, as required by GSA Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURES USED IN ADMINISTERING FEDERAL AWARDS
(TAMC/STMI)

noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of TAMC's major Federal/State programs, which are identified in the accompanying Schedule of Federal/State Awards. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Organization's ability to administer Federal/State award programs in accordance with applicable laws and regulations.

The reportable conditions noted are presented in the accompanying Schedule of Internal Control Structure Reportable Conditions.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a Federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure policies and procedures used in administering Federal/State awards would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe that none of the reportable conditions described in the accompanying Schedule of Internal Control Structure Reportable Conditions are a material weakness.

This report is intended for the management and Board of Directors of TAMC, the Legislative Auditor's office and the various granting agencies. However, this report is a matter of public record, and its distribution is not limited.



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September 17, 1986

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL/STATE FINANCIAL ASSISTANCE PROGRAMS**

Board of Directors
TARC
Baton Rouge, Louisiana

I have audited the financial statements of TARC, (a nonprofit organization), as of and for the year ended June 30, 1986, and have issued my report thereon, dated September 17, 1986.

I have applied procedures to test TARC's compliance with the following requirements applicable to each of its Federal/State financial assistance programs, which are identified in the accompanying Schedule of Federal/State Awards, for the year ended June 30, 1986:

General Requirements

1. Political Activity
2. Civil Rights
3. Cost Management
4. Federal/State Financial Reporting
5. Drug-Free Workplace Act
6. Allowable Costs/Cost Principles
7. Administrative Requirements

My procedures were limited to the applicable procedures described in the office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on TARC's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report.

With respect to items not tested, nothing came to my attention that caused me to believe that TARC had not complied, in all

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL-STATE FINANCIAL ASSISTANCE PROGRAMS
(CONTINUED)

material respects, with these requirements.

This report is intended for the information of the management and Board of Directors of WMSU, the Legislative Auditor's office and various granting agencies. However, this report is a matter of public record, and its distribution is not limited.



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September 17, 1994

**MANAGEMENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIAL REQUIREMENTS APPLICABLE TO MAJOR FEDERAL/STATE
FINANCIAL ASSISTANCE PROGRAMS**

Board of Directors
TARC
Monroe, Louisiana

I have audited the financial statements of TARC, a nonprofit organization, as of and for the year ended June 30, 1994, and have issued my report thereon dated September 17, 1994.

I have also audited TARC's compliance with the requirements governing types of services allowed or not allowed; eligibility; matching; level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal and state financial assistance programs, which are identified in the accompanying schedule of federal and state awards, for the year ended June 30, 1994. The management of TARC is responsible for the organization's compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the organization's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL/STATE
FINANCIAL ASSISTANCE PROGRAMS
(Continued)

In my opinion, TRAC complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each major federal/state award program for the year ended June 30, 1990.

This report is intended for the information of the management and the Board of Directors of TRAC, the Legislative Auditor's office and various granting agencies. However, this report is a matter of public record, and its distribution is not limited.

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September 17, 1998

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL/STATE
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

Board of Directors
TARC
Baton Rouge, Louisiana

I have audited the financial statements of TARC (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued my report thereon dated September 17, 1998.

In connection with my audit of the financial statements of TARC, and my consideration of TARC's internal control structure used to administer Federal/State awards, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions," I selected certain transactions applicable to certain nonmajor Federal/State financial assistance programs for the year ended June 30, 1998.

As required by OMB Circular A-133, I performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and special terms and provisions (if any) that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on TARC's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that TARC had not complied, in all material respects, with those requirements.

This report is intended for information of the management and the Board of Directors of TARC, the Legislative Auditor's office and various granting agencies. However, this report is a matter of public record, and its distribution is not limited.

James M. Campbell

TRAC
HAMMOND, LOUISIANA
INTERNAL CONTROL STRUCTURE REPORTABLE DISBURSEMENTS
YEAR ENDED JUNE 30, 1998

The results of the test of cash disbursements is summarized as follows:

Population		Sample	
Size	Value	Size	Value
2,342	\$778,402	68	\$ 21,742

Reportable Condition:

Two invoices, one for \$1,921.52 and one for \$1,448.52, to the same vendor, could not be located.

Management's Response:

There were several different auditors reviewing the invoices from this vendor, and these two invoices must have been misplaced or misfiled.

Criteria:

Good internal control requires that all payments be adequately documented to substantiate legal compliance.

Effect:

There was no material effect to the financial statements.

Recommendation:

All invoices should be retained to support cash disbursements.

Other Year Findings and Remediation

Checks were not always issued in numerical order because unused accounts payable checks from computer processing were retained and used at a later date.

These unused checks are now voided and all checks are issued in numerical order.

Vendor invoices were not consistently checked for clerical accuracy.

Invoices are now checked for clerical accuracy prior to payment.