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WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
Winnfield, Louisiana

Financial Statements and Auditor's Reports

June 30, 1988
and for the Year Then Ended

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Release Date 2010-4-1999

JERI SUE TOSSPOH
Certified Public Accountant

WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
1000 1/2 N. 10th St.
MORNING

**WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.,
Winfield, Louisiana**

Financial Statements and Auditor's Reports

June 30, 1988
and for the Year Then Ended

WINN PARISH ASSOCIATION FOR RETARDED-CITIZENS, INC.

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SECTION I
FINANCIAL STATEMENTS
REPORT ON FINANCIAL STATEMENTS

JERI SUE TOSSPON

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Winn Parish Association for Retarded Citizens, Inc.
Winnfield, Louisiana

I have audited the accompanying financial statements of the Winn Parish Association for Retarded Citizens, Inc., (Winn ARC) as of June 30, 1998, and for the year then ended. These financial statements are the responsibility of Winn ARC's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of the Winn ARC for the year ended June 30, 1997 were audited by other auditors whose report dated September 30, 1997, expressed an unqualified opinion on those statements.

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. 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Winn ARC, as of June 30, 1998, and the results of its operations and the changes in financial position for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements of Winn ARC. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Ferriday, Louisiana
October 6, 1998

WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998

	Adult Habitatation	Sheltered Workshop	Total
ASSETS			
Cash on hand and in banks	\$ 8,215	\$ 8,588	\$ 12,803
Accounts receivable (Note 4)	2,223	8,415	8,638
Interfund loans	11,082		11,082
Utility deposits	148		148
Fixed assets (Net) (Note 5)	45,794	1,167	48,961
Total Assets	\$ 66,452	\$ 14,200	\$ 79,652
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$ 1,631	\$ 914	\$ 2,545
Compensation payable	0	3,522	3,522
Accrued payroll taxes	1,763	1,964	3,748
Interfund loans		11,082	11,082
Notes payable (Note 5)	10,419		10,419
Total Liabilities	\$ 13,813	\$ 18,602	\$ 32,415
Net Assets			
Unrestricted	\$ 22,410	\$ (2,402)	\$ 20,007
Temporarily restricted (Note 3)	29,228		29,228
Total Net Assets	\$ 51,638	\$ (2,402)	\$ 49,236
Total Liabilities and Net Assets	\$ 66,452	\$ 14,200	\$ 79,652

See accompanying notes to financial statements.

WVVA PARISH ASSOCIATION FOR RETIREEED CITIZENS, INC.
STATEMENT OF ACTIVITY AND NET ASSETS
YEAR ENDED JUNE 30, 1998

	Adult Habitatation	Shelwood Workshop	Total
SUPPORT AND OTHER REVENUE:			
State contracts	\$ 137,248		\$ 137,248
Contract work		\$ 101,440	\$ 101,440
Contributions and grants	18,688	18,688	37,376
Other	302	1,371	1,673
Interest	78		78
Total Support and Other Revenue	\$ 165,112	\$ 113,501	\$ 278,613
NET ASSETS RELEASED (FROM) RESTRICTIONS:			
Federal Transit Administration Section 10 Depreciation on restricted vans	\$ 13,500		\$ 13,500
Total Support, Other Revenue and Release of Net Assets	\$ 178,612	\$ 113,501	\$ 292,113
EXPENSES (Note 7)			
Salaries and client wages	\$ 12,703	\$ 68,648	\$ 81,351
Payroll taxes	6,864	8,255	15,119
Telephone	2,698	188	2,886
Postage	58		58
Insurance	5,355	2,228	7,583
Transportation	6,418	1,171	7,589
Insurance	128	28	156
Office supply	1,212		1,212
Utilities	5,148	1,185	6,333
Heat	8,808		8,808
Maintenance and cleaning	548	488	1,036
Widow's/men's compensation		4,791	4,791
Depreciation	18,284	884	19,168
Interest	1,350		1,350
Supplies	3,553	13,523	17,076
Audit	5,853		5,853
Legal fees	888		888
Other	818	5	823
Total Expenses	\$ 145,875	\$ 123,708	\$ 269,583
Increase (Decrease) in Unrestricted Net Assets	\$ 32,737	\$ (10,207)	\$ 22,530
Temporarily Restricted Net Assets:			
Federal Transit Administration Section 10 Current year depreciation	(13,500)		(13,500)
Net Increase (Decrease) in Net Assets	\$ 19,237	\$ (10,207)	\$ 9,030
Net Assets, Beginning of Year	30,801	7,005	37,806
Net Assets, End of Year	\$ 50,038	\$ (3,202)	\$ 46,836

See accompanying notes to financial statements.

WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1988

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets	\$ 2,338
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	15,056
(Increase) decrease in:	
Accounts receivable	9,788
Prepaid expenses	
Deposits	
Accounts payable	(53)
Compensation payable	(152)
Payroll taxes payable	573
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 31,488
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	\$ (27,698)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (27,698)
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in debt	\$ 5,025
Reduction of debt	(5,078)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	\$ (980)
NET INCREASE (DECREASE) IN CASH	\$ 2,810
CASH AT BEGINNING OF YEAR	9,890
CASH AT END OF YEAR	\$ 12,702

See accompanying notes to financial statements.

WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, Inc., (WARC) was organized in 1981 to promote the general welfare of the mentally retarded, to encourage research related to mental retardation, to advise and aid parents in the solution of their problems, to develop a better understanding of the problems of mental retardation by the public, to cooperate with all agencies and professional groups in the furtherance of these ends, to associate with and support financially the State and National Associations to promote the common cause, to serve locally as a clearinghouse for gathering and providing information regarding the mentally retarded and to solicit and receive funds for the accomplishment of the stated purposes.

The Association operates two separate divisions. One, the Adult Habilitation Program, receives funding from the State of Louisiana, Department of Health and Hospitals and the Office for Citizens with Developmental Disabilities (OCDD) to provide adult day services for a minimum of 17 clients. The other division is the Winn Parish Sheltered Workshop. The Workshop is totally self-supporting. Income of the Workshop consists of revenues earned through contracts with private individuals and companies for the provision of services performed by clients of the Workshop. No federal financial assistance of any type is received by the Winn Parish Sheltered Workshop.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

B. 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 such estimates.

C. Financial Statement Presentation

In 1995, the Association elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows.

D. Contributions

The Association also elected, in 1995, to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

E. Income Tax Status

WARIC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes.

NOTE 3 - RESTRICTIONS ON ASSETS

Restrictions on assets at June 30, 1998 relate to two vans obtained by the Association through a Section 503(b)(2) grant through the Urban Mass Transit Act and the Louisiana Department of Transportation (DOTD). This program provides capital grants for the specific purpose of assistance in providing transportation services to meet the special needs of elderly and handicapped persons for whom mass transportation services are unavailable, insufficient or inappropriate. The vans, obtained with these funds, must be used for transportation services to the elderly and handicapped within the Association's service area. The DOTD must be immediately notified if the equipment is not used in the aforementioned manner or if it is withdrawn from service. Disposition of the vehicles must have DOTD approval and must be in conformance with the provisions of OMB Circular A-93, Attachment N. Dispositions must be at a current market value and a portion of the funds received must be returned in proportion to the original percentage of Federal funds contributed.

It is the policy of the Association to amortize the asset restriction over its estimated useful life using the straight-line method.

NOTE 4 - RECEIVABLES

The Association entered into a contract on April 14, 1987 with the State of Louisiana, Department of Health and Hospitals, OCDD, to provide habilitation programming to a minimum of 17 clients for the period July 1, 1987 to June 30, 1988. At the end of each month, a payment requisition is forwarded to the Region VI office at Pinecrest State School requesting payment for services provided to clients during the month just ended.

The Association also has entered into several contractual agreements to provide grounds keeping services, janitorial services and other contract labor to various local businesses.

Receivables at June 30, 1988 consist of the following:

State of Louisiana, OCDD	\$ 2,228
Employment Development Services, Inc.	951
Pine Creek Industries	<u>5,454</u>
Total	<u>\$ 8,633</u>

NOTE 5 - FIXED ASSETS AND DEPRECIATION

Fixed assets consist of plant and equipment stated at historical cost. Ownership of all fixed assets in the general fund of WARC would revert to the Department of Health and Hospitals, OCDD, if WARC were to cease to function. Depreciation is provided on a straight-line basis over various lives recommended by the OCDD as listed below:

Furniture and fixtures	7 - 10 years
Automobiles	6 years
Machinery and equipment	5 - 7 years
Leasehold improvements	10 years

A summary of fixed assets and the related depreciation is presented below:

	Balance June 30, 1987	Adding	Retirements	Balance June 30, 1988
Asset Habilitation Shelved/Waiting	\$78,370	\$27,682		\$106,052
	3,421			3,421
Less Accumulated Depreciation	<u>17,644</u>	<u>18,898</u>		<u>36,542</u>
	\$63,747	\$8,784		\$72,531

NOTE 6 - NOTES PAYABLE

Notes payable consist of the following:

Bank of Winfield, unsecured obligation for the Ford F-150 truck, bearing interest at 9.25%, payments of \$301 per month	\$ 8,746
Bank of Winfield, unsecured obligation for operating funds, bearing interest at 9.5%, payments of \$660 per month	<u>1,973</u>
	\$10,719

The future scheduled maturities of long-term debt are as follows:

Years ended June 30,	
1999	\$ 4,253
2000	3,000
2001	<u>3,166</u>
	\$10,419

NOTE 7 - EXPENDITURES

The Winn Parish Association for Retarded Citizens, Inc. entered into a contract with the State of Louisiana, Department of Health and Hospitals, Office for Citizens with Developmental Disabilities to provide adult habilitation services. Expenditures in the general fund were made in accordance with the specifications listed by the Office for Citizens with Developmental Disabilities in their *Guidelines for Allowable Costs - Adult Day Services for Persons with Developmental Disabilities*.

NOTE 8 - PENSION PLAN

WARC does not have a retirement plan for its employees other than that provided by the Social Security System.

NOTE 9- LITIGATION

WARC is not involved in any litigation as of June 30, 1998.

NOTE 10 - YEAR 2000 COMPLIANCE

WANC estimates the cost of programming to become Year 2000 compliant will be negligible.

NOTE 11 - DIRECTOR COMPENSATION

No member of the Board of Directors of Winn Parish Association for Retarded Citizens, Inc. received any compensation during this fiscal year.

SECTION II
REPORT ON INTERNAL CONTROL
AND COMPLIANCE

JERI SUE TOSSPON

Certified Public Accountant

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

To the Board of Directors
Winn Parish Association for Retarded Citizens, Inc.
Winnfield, Louisiana

I have audited the financial statements of Winn Parish Association for Retarded Citizens, Inc., as of June 30, 1998, and for the year then ended, and have issued my report thereon dated October 5, 1998. 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

As part of obtaining reasonable assurance about whether Winn Parish Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contract 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 my audit and, 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.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements of the Association, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial

To the Board of Directors
Winn Parish Association for Retarded Citizens, Inc.
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reporting. My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Ferrybay, Louisiana
October 8, 1998

SECTION III
SUPPLEMENTAL INFORMATION

WMM PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998
(With Comparative Totals at June 30, 1997)

	June 30,	
	1998 Total	1997 Total
ASSETS		
Cash on hand and in banks	\$ 12,900	\$ 9,900
Accounts receivable (Note 4)	8,600	18,424
Interfund loans	11,000	
Utility deposits	149	149
Fixed assets (Net) (Note 5)	48,981	38,337
Total Assets	\$ 79,630	\$ 66,810
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 2,545	\$ 2,508
Compensation payable	2,823	2,774
Accrued payroll taxes	3,748	3,134
Interfund loans	11,000	
Notes payable (Note 5)	10,419	11,410
Total Liabilities	\$ 30,535	\$ 19,816
Net Assets		
Unrestricted	\$ 20,007	\$ 28,001
Temporarily Restricted (Note 3)	29,228	18,086
Total Net Assets	\$ 49,235	\$ 46,087
Total Liabilities and Net Assets	\$ 79,630	\$ 66,810

See accompanying notes to financial statements.

IRISH PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
COMBINED STATEMENT OF ACTIVITY AND NET ASSETS
YEAR ENDED 6-JUNE 80, 1980
(With Comparative Totals for the Year Ended June 30, 1981)

	Year Ended	
	1980	1981
	Total	Total
SUPPORT AND OTHER REVENUE		
State contracts	\$ 137,248	\$ 133,039
Contract work	101,445	87,715
Contributions and grants	26,161	340
Other	1,473	435
Interest	35	235
Total Support and Other Revenue	\$ 296,422	\$ 279,802
NET ASSETS RELEASED FROM RESTRICTIONS		
Federal Transit Administration Section 18 Depreciation on restricted assets	\$ 13,800	\$ 9,347
Total Support, Other Revenue and Release of Net Assets	\$ 310,222	\$ 289,149
EXPENSES (Note 7)		
Salaries and night wages	\$ 153,411	\$ 149,400
Payroll taxes	15,019	11,244
Telephone	3,323	1,487
Postage	58	155
Insurance	1,383	5,890
Transportation	8,191	19,114
Laundry	148	388
Office supply	1,270	1,875
Utilities	8,384	8,827
Rent	8,000	16,500
Maintenance and cleaning	948	4,234
Workman's compensation	4,791	3,808
Depreciation	18,958	13,421
Interest	1,250	847
Supplies	11,588	12,808
Audit	6,050	4,250
License	589	664
Other	821	3,038
Total Expenses	\$ 304,584	\$ 308,018
Increase (Decrease) in Unrestricted Net Assets	\$ 15,638	\$ (8,869)
Temporarily Restricted Net Assets		
Federal Transit Administration Section 18 Current year depreciation	(15,800)	(8,047)
Net Increase (Decrease) in Net Assets	\$ 3,238	\$ (16,914)
Net Assets, Beginning of Year	81,891	88,205
Net Assets, End of Year	\$ 85,129	\$ 71,291

See accompanying notes to financial statements.

WINN PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 1988
(With Comparative Totals for the Year Ended June 30, 1987)

	1988	Year Ended June 30, 1987
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 2,309	\$ (16,054)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	18,058	13,431
(Increase) decrease in:		
Accounts receivable	9,786	760
Prepaid expenses		4,053
Deposits		(148)
Accounts payable	(58)	309
Compensation payable	(152)	2,571
Payroll taxes payable	613	(133)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 31,480	\$ 3,248
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	\$ (27,606)	\$ (15,694)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (27,606)	\$ (15,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in debt	\$ 8,028	\$ 12,028
Reduction of debt	(8,018)	(4,524)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	\$ (990)	\$ 7,504
NET INCREASE (DECREASE) IN CASH	\$ 2,884	\$ (4,947)
CASH AT BEGINNING OF YEAR	9,903	14,850
CASH AT END OF YEAR	\$ 12,787	\$ 9,903

See accompanying notes to financial statements.

To the Board of Directors
Winn Parish Association for Retarded Citizens, Inc.
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Accordingly, I do not express an opinion on the system of internal accounting control of the Association taken in as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

My comments on specific financial and accounting matters and recommendations developed during my examination, which do not represent material weaknesses, are detailed below.

FINDING: It was noted that there were three instances of borrowing by the Workshop from the Director of the Association. There was no interest charged and amounts borrowed were repaid promptly. In order to maintain objectivity and separation, there should be no borrowing from any employee or related party.

MANAGEMENT RESPONSE: Such borrowing will not be done in the future.

FINDING: It was noted that there was one instance of a payroll advance given to an employee of the Sheltered Workshop. This was not done with state funds, however, this practice needs to be discontinued.

MANAGEMENT RESPONSE: Such advances will not be done in the future.

FINDING: It was noted that there was no mention in the minutes of approval for bank loans and other loans made during the year. Borrowings of this nature need to be approved by the Board of Directors.

MANAGEMENT RESPONSE: Reviews of later minutes include notation of Board of Director approval for borrowing.

PRIOR YEAR FINDINGS: None.

This report is intended for the use of the Association management and others within the organization.

I thank all the personnel at the Association for their cooperation during my examination.

Ferryday, Louisiana
October 6, 1998

