

5/13/04

REPORT
OF THE
LEGISLATIVE AUDIT
COMMISSION

**FINANCIAL STATEMENTS AND
AUDITORS' REPORTS**

RED RIVER EMPLOYMENT SERVICES, INC.

Shreveport, Louisiana

June 30, 2003

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate public officials. This report is available for public inspection at the House Rouge office of the Legislative Audit and, where appropriate, at the office of the parish clerk of court.

Release Date June 7 2004

RED RIVER EMPLOYMENT SERVICES, INC.
Shreveport, Louisiana

FINANCIAL STATEMENTS AND AUDITORS' REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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MEMBER OF
MEMBERSHIP FIRM OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
MEMBER FIRM OF CERTIFIED
PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Red River Employment Services, Inc.

We have audited the accompanying statement of financial position of Red River Employment Services, Inc. (a nonprofit corporation) as of June 30, 2011, and the related statement of activities and statement of cash flows for the fiscal year then ended. These financial statements are the responsibility of the Corporation's board of directors. 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 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. 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 the Red River Employment Services, Inc. as of June 30, 2011, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 18, 2011, on our consideration of Red River Employment Services, Inc.'s internal control structure and on its compliance with laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



David, Beall & DeBruin, CPAs, APC
November 30, 2001

HOB RIVER EMPLOYMENT SERVICES, INC.
Statement of Financial Position
June 30, 2004

ASSETS

Cash and cash equivalents	\$ 16,094
Accounts receivable	38,531
Fees & Other receivables	517
Prepaid expenses	2,475
Property and equipment (net of accumulated depreciation of \$22,254)	9,838
Deposits	<u>489</u>
TOTAL ASSETS	<u>\$68,735</u>

LIABILITIES

Accounts payable	\$ 1,170
Payroll taxes payable	3,907
Salaries payable	8,157
Exp payable	668
Capital lease	<u>3,788</u>
TOTAL LIABILITIES	20,720

NET ASSETS

Unrestricted	<u>48,015</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$68,735</u>

The accompanying notes are an integral part of these financial statements.

RED RIVER EMPLOYMENT SERVICES, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

UNRESTRICTED NET ASSETS

Support	
U.S. Retail Station Services	\$ 152,969
U.S. Office of Mental Health	<u>121,888</u>
Total unrestricted support	<u>274,858</u>
Expenses	
Salaries & Wages	190,030
Payroll taxes	38,760
Pensions	1,510
Insurance	11,288
Travel	23,484
Rent	29,126
Telephones	6,804
Accounting & Auditing	18,598
Professional Fees	2,597
Program expenses	7,770
Office expense	6,807
Promotional expense	1,551
Program services	3,827
Interest expense	350
Depreciation	<u>5,219</u>
Total expenses	<u>313,826</u>
Increase in unrestricted net assets	18,832
Net assets at beginning of period	27,087
Prior period adjustment	<u>16,436</u>
Net assets at end of period	<u>\$ 48,555</u>

The accompanying notes are an integral part of these financial statements.

RED RIVER EMPLOYMENT SERVICES, INC.
Statement of Cash Flows
For the Year Ended June 30, 2001

Cash Flows from Operating Activities:

Increase in Net Assets	\$ 10,932
Adjustments to reconcile increase in Net Assets	
to Net Cash from Operating Activities:	
Price period adjustment	10,436
Depreciation	5,289
Increase in Grants Receivable	(23,235)
Decrease in Other Receivables	8,738
Increase in prepaid expenses	(2,472)
Decrease in Accounts Payable	(1,959)
Increase in Payroll Taxes Payable	2,454
Increase in Salaries Payable	1,620
Decrease in STP payable	...(1,100)
Net Cash from Operating Activities	...10,123

Cash Flows from Financing Activities:

Purchase of equipment	...(1,723)
Net Cash used in Financing Activities	...(1,723)

Cash Flows from Investing Activities:

Principal payments on capital lease	...(2,581)
Net Cash used in Investing Activities	...(2,581)

Net Increase in Cash and Cash Equivalents 5,839

Cash and Cash Equivalents at Beginning of Period ...11,115

Cash and Cash Equivalents at End of Period \$ 16,954

Supplemental Data (Amount paid) from LHM

The accompanying notes are an integral part of these financial statements.

RED RIVER EMPLOYMENT SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 NATURE OF ACTIVITIES

Red River Employment Services, Inc. was created on March 23, 1994 as a not-profit corporation as defined by the Louisiana not-profit corporation law (Title 12, Chapter 2, LA Revised Statutes of 1990 as revised and modified by Act 303 of 1998, Legislature of Louisiana and as amended). Red River Employment Services, Inc. serves the parishes of Calde, Bossier, Webster, Caliborne, Iberville, Red River, Dejean, Natchitoches and West in accordance to the state plan of Louisiana Office of Human Services for Region VII.

Red River Employment Services, Inc. provides supportive employment services to individuals with serious psychiatric disabilities as defined by Louisiana Rehabilitation Services, and to encourage self support among those individuals served by the Organization in the area of employment. The Organization is supported primarily by grants from governmental agencies.

The corporation is organized on a non-stock basis under the authority of the provisions of Louisiana law, particularly LA R.S. of 1950, Title 12, Sections 201-209, as amended.

The corporation qualifies as an exempt organization under Section 501 (c) of the Internal Revenue Code as an organization described in Section 501 (c)(3), and is treated as a publicly supported organization, and not as a private foundation during an advance ruling period beginning April 19, 1994 and ending June 30, 2001.

The accompanying financial statements of the Organization present the financial position and changes in net assets of the various programs. All activities of the Organization are included in these financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

Financial statement presentation follows Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization 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.

RED RIVER EMPLOYMENT SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting:

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized in the accounting period in which they are earned. Expenses are recognized in the accounting period in which the liability is incurred, if reasonable.

Budget Policy:

Budgets for the various programs are prepared by the Organization's Executive Director and approved by the grantor of the funds for each respective program. Budgets are prepared on a basis consistent with generally accepted accounting principles.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from these estimates.

Deposits and Equipment:

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date of donation.

Depreciation is provided in the financial statements over estimated useful lives on a straight-line basis. The following estimated useful lives are generally used:

Furniture and equipment 3 to 15 years

Expenses for additions, major renewals and betterments are capitalized and expenses for maintenance and repairs are charged to operations as incurred.

KED RIVER EMPLOYMENT SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2001

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less.

NOTE 3 FUNDING POLICIES AND SOURCES OF FUNDS

The Organization receives its monies through various methods of funding. Funds are provided under grant awards and received under a cost reimbursement method.

NOTE 4 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 5 INCOME TAX STATUS

The Organization is classified as a Section 501 (c)(3) Organization under the Internal Revenue Code. As a result, it has been determined to be exempt from federal and state income taxes.

NOTE 6 COLLATERALIZATION OF BANK DEPOSITS

The total amount of deposits in financial institutions at June 30, 2001, was \$33,833. This amount was insured against loss by the Federal Deposit Insurance Corporation (FDIC).

RED RIVER EMPLOYMENT SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2001

NOTE 7 ACCOUNTS RECEIVABLE

Grants receivable at June 30, 2001, consist of reimbursements for services provided under the following programs:

Louisiana Rehabilitation Services	\$ 8,364
Office of Mental Health	29,982
Total Grants Receivable	<u>\$ 38,346</u>

Other Receivables:

Employee advance	\$ 482
Other	75
	<u>\$ 557</u>

NOTE 8 PROPERTY AND EQUIPMENT

A summary of property and equipment and accumulated depreciation at June 30, 2001 follows:

	Property and Equipment			
	Balance 201/00	Additions	Deletions	Balance 6/30/01
Furniture & equipment	\$ 38,411	\$ 1,703	_____	\$ 40,114
Total	<u>\$ 38,411</u>	<u>\$ 1,703</u>	_____	<u>\$ 40,114</u>
	Accumulated Depreciation			
	Balance 201/00	Additions	Deletions	Balance 6/30/01
Furniture & equipment	\$ 17,606	\$ 5,219	_____	\$ 22,825
Total	<u>\$ 17,606</u>	<u>\$ 5,219</u>	_____	<u>\$ 22,825</u>

Any equipment purchased must be used for program services for ten years or the equipment will revert to the Louisiana Rehabilitation Services.

RED RIVER EMPLOYMENT SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2001

NOTE 9 JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation pending against the Organization as of June 30, 2001. Furthermore, the Organization's management believes that any potential lawsuits would be adequately covered by insurance.

The ability of Red River Employment Services, Inc. to continue its operations is contingent upon continued funding from Louisiana Rehabilitation Services and Office of Mental Health.

The Organization receives support from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the recipient or grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Organization. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Organization's financial position.

NOTE 10 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 activity. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following details total expenses by functional program:

LRS-Main	\$ 125,226
OMH-Jobs	37,725
OMH-Counseling	6,998
OMH-Care	44,060
OMH-ACN	21,995
OMH-Gretn Harbor	47,683
LRS-FURT	27,729
OMH-SSI	____5,000
Total Program Expenses	<u>\$ 311,326</u>

NOTE 11 COMPENSATED ABSENCES

Accrued leave does not accumulate from one year to the next, therefore no amounts have been recorded in the financial statements.

RED RIVER EMPLOYMENT SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2001

NOTE 12 EMPLOYEE BENEFIT PLAN

The Red River Employment Services, Inc. has a defined contribution plan covering all employees who wish to participate. The organization makes a contribution to the plan each year equal to 2% of the participant's compensation. In addition, each employee is allowed to withhold and contribute up to \$6,000 from their pay to the plan. The expense for the year ended June 30, 2001 was approximately \$1,510.

NOTE 13 CAPITAL LEASE

The organization leases its copier under a capital lease. As a result of the agreement having a bargain purchase option at the end, the economic substance of the contract is that the organization is financing the acquisition of the asset through the lease, and accordingly, it is recorded in the organization's assets and liabilities. The value of the copier at the inception of the lease was \$9,522.

The following is a schedule by year of future minimum payments required under the lease together with their present value as of June 30, 2001:

Year ending, June 30, 2002	2,915
Total minimum lease payments	2,915
Less amount representing interest	(207)
Present value of minimum lease payments	\$ 2,708

NOTE 14 OPERATING LEASE

The organization has a noncancelable operating lease for the office space. The contract requires monthly payments of \$1,680 and expires December 2001. The rental expense for the year ended June 30, 2001 was \$20,136.

NOTE 15 PRIOR PERIOD ADJUSTMENT

At June 30, 2000, the organization's assets accountables were understated by \$10,436. At June 30, 2001, a change was made to correct the beginning balance of unrestricted net assets by the amount of the understatement. Unrestricted net assets at June 30, 2000, should have been \$33,625.



MEMBER
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CERTIFIED PUBLIC ACCOUNTANTS

DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

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

Board of Directors
Red River Employment Services, Inc.
Shreveport, Louisiana

We have audited the financial statements of Red River Employment Services, Inc., as of and for the year ended June 30, 2001 and have issued our report thereon dated November 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Red River Employment Services, Inc.'s 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 we required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Red River Employment Services, Inc.'s internal control over financial reporting 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 over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in 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 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 operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal and state awarding agencies and is not intended to be used should not be used by anyone other than those specified parties.



Hansen, Paul & DeLoach, CPAs, APC
November 30, 2009

RED RIVER EMPLOYMENT SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2001

We have audited the financial statements of the Red River Employment Services, Inc. as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of and for the year ended June 30, 2001 resulted in an unqualified opinion.

Section I-Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material Weaknesses Yes No

Reportable Conditions Yes No

Compliance

Non-Compliance Material to Financial Statements Yes No

Section II-Financial Statement Findings

None

HES RIVER EMPLOYMENT SERVICES, INC.
SUMMARY OF FIFTH YEAR FINDINGS
For the Year Ended June 30, 2008

None

RED RIVER EMPLOYMENT SERVICES, INC.
Shreveport, Louisiana

COLLECTIVE ACTION PLAN

Number:

Name:

Name of Contact Person: Brian Byrd, Executive Director

Date: November 30, 2001