

To the Board of Directors  
Datahouse Association of Retarded Citizens, Inc.  
Page Two

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

Cash Receipts and Revenues  
Cash Disbursements and Expenditures  
Bank and Records

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

My 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 reportable condition in which the design or operation of the specific 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. 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.



Hamden, Louisiana  
July 22, 1997

SECTION III

REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS

## JERI SUE TOSSPON

Certified Public Accountant

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To the Board of Directors  
Catahoula Association of Retarded Citizens, Inc.  
Jonesville, Louisiana

I have audited the accompanying financial statements of the Catahoula Association of Retarded Citizens, Inc. (CARC), as of June 30, 1987, and for the year then ended, and issued my report thereon dated July 22, 1987.

I conducted my audit in accordance with generally accepted auditing standards, 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 the Association, is the responsibility of the Association's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions.

The results of my tests indicate that, with respect to the items tested, the Association, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Judicial Expense Fund had not complied, in all material respects, with those provisions.

I noted certain immaterial instances of noncompliance that I have reported to the Directors of the Association in a separate letter dated July 22, 1987.

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.



Ferdiday, Louisiana  
July 22, 1987

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**GATAGOULA ASSOCIATION OF RETARDED CITIZENS, INC**  
Jonesville, Louisiana

Financial Statements and Auditor's Report

June 30, 1987 and 1991

Under provisions of state law, this report is a public document. A copy of this report, free of charge, is available to the auditor, or contractor, entity and other interested public officials. The reports available for public inspection at the Capitol Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 10 1991

**JERI SUE TOSSPON**  
Certified Public Accountant

## JERI SUE TOSSPON

Certified Public Accountant

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To the Board of Directors  
Catahoula Association of Retarded Citizens, Inc.  
Jonestown, Louisiana

I have audited the financial statements of the Catahoula Association of Retarded Citizens, Inc., (CARC), as of June 30, 1997 and for the year then ended, and have issued my reports dated July 22, 1997. As a part of my examination, I made a study and evaluation of the Association's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements. My study was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Association is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and costs of control procedures. The objectives of a system 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 system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purposes described in the first paragraph would not necessarily disclose all material weaknesses in the system. 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.

To the Board of Directors  
Louisiana Association of Retarded Citizens, Inc.  
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My comments on specific financial and accounting matters and recommendations developed during my examination which do not represent material weaknesses, are detailed below.

1. It was noted that transfers (loans) from one fund to another did not receive prior board approval. All such transfers (loans) need to be approved by the Board of Directors. Management has been informed of this and will do so in the future.

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.



Farriday, Louisiana  
July 22, 1997

CATAHOULA ASSOCIATION OF RETARDED CITIZENS, INC.  
Jonesville, Louisiana

Financial Statements and Auditor's Report

June 30, 1967 and 1968

CATAHOULA ASSOCIATION OF RETARDED CITIZENS, INC.

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SECTION I  
FINANCIAL STATEMENTS  
REPORT ON FINANCIAL STATEMENTS

**JERI SUE TOSSPON**

Certified Public Accountant

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Monroe, Louisiana 70001

July 1997

To the Board of Directors  
Catahoula Association of Retarded Citizens, Inc.  
Jonestown, Louisiana

I have audited the accompanying financial statements of the Catahoula Association of Retarded Citizens, Inc. (CARC), as of June 30, 1997, and for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. 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 the Association, as of June 30, 1997, and the results of its operations and the cash flows 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 financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Association. 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 component unit financial statements taken as a whole.



Monroe, Louisiana  
July 23, 1997

CATHOLIC ASSOCIATION OF RETIRED CITIZENS, INC.  
STATEMENT OF FINANCIAL POSITION

JUNE 30, 1987

(With Comparative Totals at June 30, 1986)

	General Fund	Work Activity Fund	Association Fund	1987 Total	1986 Total
<b>ASSETS</b>					
Cash on hand and in banks	\$ 10,887	\$ 1,642	\$ 877	\$ 13,406	\$ 19,713
Checks in mailing	2,763		3,429	6,232	2,126
Accounts receivable	7,488	303		7,791	3,283
Interfund loans		1,108		1,108	3,080
Liability deposits	289			289	568
Fund assets (Note 4)	52,042	3,664		55,706	30,178
<b>Total Assets</b>	<b>\$ 73,669</b>	<b>\$ 6,717</b>	<b>\$ 8,716</b>	<b>\$ 83,102</b>	<b>\$ 53,812</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 626			\$ 626	\$ 893
Accrued payroll taxes	1,127	213		1,340	1,827
Deferred funds	1,180			1,180	3,008
Notes payable (Note 4)	5,298			5,298	1,282
<b>Total Liabilities</b>	<b>\$ 8,231</b>	<b>\$ 213</b>	<b>\$ 0</b>	<b>\$ 8,444</b>	<b>\$ 6,010</b>
<b>Fund Balances</b>					
General fund	\$ 21,787	\$ 8,222	\$ 8,118	\$ 38,127	\$ 17,717
Work activity fund					4,708
Association fund					4,684
<b>Total Fund Balances</b>	<b>\$ 21,787</b>	<b>\$ 8,222</b>	<b>\$ 8,118</b>	<b>\$ 38,127</b>	<b>\$ 27,112</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 30,018</b>	<b>\$ 8,435</b>	<b>\$ 8,118</b>	<b>\$ 46,571</b>	<b>\$ 33,912</b>

See accompanying notes to financial statements.

**CATAWULA ASSOCIATION OF RETIRED CITIZENS, INC.**  
**STATEMENT OF ACTIVITY AND FUND BALANCES**  
**YEAR ENDED JUNE 30, 1997**  
 (With Comparative Totals for the Year Ended June 30, 1996)

	General Fund	Tech. Activity Fund	Association Fund	Year Ended	
				1997 Total	1996 Total
<b>SUPPORT AND SERVICE FEES</b>					
State contracts (Note 5)	\$ 90,359			\$ 90,359	\$ 80,200
Catawula Parish School Board (Note 6)	1,087			1,087	
<b>Total Support</b>	\$ 92,006	\$ 0	\$ 0	\$ 92,006	\$ 80,200
<b>REVENUE</b>					
Worship activity projects		\$ 18,745		\$ 18,745	\$ 18,386
State rate sharing contract		5,143		5,143	6,736
Interest	\$ 254		\$ 10	247	269
Other			225	225	382
<b>Total Revenue</b>	\$ 254	\$ 23,888	\$ 235	\$ 24,377	\$ 25,773
<b>Total Support and Revenue</b>	\$ 92,260	\$ 23,888	\$ 235	\$ 116,373	\$ 106,173
<b>EXPENDITURES (Note 7)</b>					
Salaries and client wages	\$ 40,549	\$ 12,042		\$ 52,591	\$ 64,282
Payroll taxes	3,927	982		4,909	6,064
Telephone	775			775	763
Postage	208			208	200
Insurance	4,501			4,501	4,249
Transportation	8,758	313		9,071	7,744
Utilities	424			424	496
Office supply	263	71		334	337
Utilities	3,300			3,300	3,386
Rent	6,800			6,800	6,690

Maintenance and cleaning	1,415			1,415	1,270
Monitors compensation	659	756		1,415	2,130
Depreciation	2,052	1,960		4,012	4,002
Interest	88			88	100
Supplies		2,020		2,020	6,218
Audit	1,600	415		2,015	1,900
State rate fees	120			120	426
License	660	1,667	218	3,025	150
Other	5734			5,734	600
<b>Total Expenditures</b>	<b>\$ 86,660</b>	<b>\$ 21,598</b>	<b>\$ 218</b>	<b>\$ 110,476</b>	<b>\$ 120,082</b>
<b>Excess (Deficit) of Support and Revenue over Expenditures</b>	<b>\$ 3,895</b>	<b>\$ 575</b>	<b>\$ 32</b>	<b>\$ 4,502</b>	<b>\$ (4,400)</b>
<b>Fund Balance, Beginning of Year</b>	<b>17,717</b>	<b>4,736</b>	<b>4,084</b>	<b>26,537</b>	<b>31,036</b>
<b>Fund Balance, End of Year</b>	<b>\$ 21,797</b>	<b>\$ 5,232</b>	<b>\$ 4,116</b>	<b>\$ 31,145</b>	<b>\$ 26,507</b>

See accompanying notes to financial statements

**CAYAHULA ASSOCIATION OF RETARDED CITIZENS, INC.**  
**STATEMENT OF CASH FLOWS**  
**TOTAL ALL FUNDS**  
**YEAR ENDED JUNE 30, 1997**  
 (With Comparative Totals for the Year Ended June 30, 1996)

	Year Ended June 30,	
	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net asset	\$ 4,538	\$ (4,496)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	4,000	4,002
(Increase) decrease in:		
Accounts receivable	(2,170)	(1,113)
Accounts payable	95	329
Accrued payroll tax	(157)	(38)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 6,366</b>	<b>\$ (1,380)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	\$ (8,843)	
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>\$ (8,843)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in debt	\$ 8,804	
Reduction of debt		\$ (1,810)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>\$ 6,804</b>	<b>\$ (1,810)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 4,277</b>	<b>\$ (3,104)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>13,851</b>	<b>16,955</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 18,128</b>	<b>\$ 13,851</b>

See accompanying notes to financial statements

CATAHOULA ASSOCIATION OF RETARDED CITIZENS, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1997

**NOTE 1 - CATAHOULA ASSOCIATION OF RETARDED CITIZENS, INC.**

Catahoula Association of Retarded Citizens, Inc., (CARC) was organized in 1981 to promote the general welfare of retarded citizens wherever they may be, and, specifically, to provide as normal a work and learning atmosphere in the least restrictive environment for retarded adults in Catahoula Parish. The Association receives funding from the State of Louisiana, Office of Mental Retardation for Adult Day Services, performs services under its Work Activity Program, and receives nominal funds for other activities from memberships and contributions. In 1992, the Association was enrolled as a provider in the Louisiana Medical Assistance Program and provides services to qualified clients under this program.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Fund Accounting**

In order to ensure observance of limitations and restrictions placed on the use of resources available to CARC, 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 and, accordingly, all financial transactions have been recorded and reported in the following fund groups:

**General Fund** - Resources are provided under a contract from the State of Louisiana, based on the days of service provided, a contract covering clients under the Louisiana Medicaid Program (Title XIX), and by other sources such as interest. Expenditures are of a nature of those specified by the State in Guidelines for Allowable Costs from the Office of Mental Retardation, except as noted hereafter.

**Work Activity Fund** - Resources are provided as fees for services performed by the clients and interest and are used to pay wages to the clients and buy such supplies as needed for these services.

**Association Fund** - Resources are provided from memberships, contributions and interest and are generally unrestricted as to their use.

## B. Income Tax Status

The Association 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 - FIXED ASSETS AND DEPRECIATION

Fixed assets consist of the Association portion of two vans purchased through the State of Louisiana, DOTD, under a UMTA grant for transportation of the elderly and handicapped, a copy machine and an air conditioner. In 1994, the Association obtained a riding mower and trailer with funds provided under a separate grant from the State of Louisiana. Work Activity fixed assets is a minivan purchased in 1994. Ownership of all fixed assets of the Association, other than two of the vans, would revert to the Department of Health and Hospitals, Office of Mental Retardation, if the Association was to cease to function. The DOTD holds a reversionary interest in two of the vans. Depreciation is provided on a straight-line basis over the useful lives of the assets.

	<u>General Fund</u>	<u>Work Activity Fund</u>
Fixed Assets	\$20,474	\$ 6,567
Accumulated Depreciation	<u> 8,429</u>	<u> 5,523</u>
Net Fixed Assets	\$12,045	\$ 2,044

### NOTE 4 - NOTES PAYABLE

Notes payable consist of one note from Jonesville Bank and Trust, unsecured, for the Association's portion of the 1997 van purchased with monthly payment of \$197.73 and interest at the rate of 6.90%.

### NOTE 5 - STATE CONTRACTS

The Association received funds from a programs under the Office of Mental Retardation, State of Louisiana, Louisiana Rehabilitative Services and the Louisiana Medicaid Assistance Program as follows:

Adult Day Program	\$81,060
Louisiana Rehabilitative Services	450
Louisiana Medical Assistance Program	<u> 9,207</u>
	\$81,717

**NOTE 6 - CATAHOULA PARISH SCHOOL BOARD CONTRACT**

In August, 1991, CARC entered into a contract with the Catahoula Parish School Board to provide training services to three special education students. The contract for the 1991 school year was renewed for one student.

**NOTE 7 - EXPENDITURES**

Expenditures in the general fund were made in accordance with the specifications listed by the Office of Mental Retardation in their Guidelines for Allowable Costs for Adult Day Services for Persons with Developmental Disabilities.

**NOTE 8 - DIRECTOR'S FEES**

No fees or reimbursements were paid to directors in the years ended June 30, 1997 or 1998.

**NOTE 9 - RETIREMENT**

The employees of the Association are not covered by any retirement plan.

SECTION II  
REPORT ON INTERNAL CONTROL

## JERI SUE TOSSPON

Certified Public Accountant

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Monroe, Louisiana 71204

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To the Board of Directors  
Catahoula Association of Retarded Citizens, Inc.  
Jonesville, Louisiana

I have audited the financial statements of Catahoula Association of Retarded Citizens, Inc., (CARC), as of June 30, 1997, and for the year then ended, and have issued my report thereon dated July 22, 1997.

I conducted my audit in accordance with generally accepted auditing standards, 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.

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 structure.

The management of the Association, 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.