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**RUACH, INC.**

**FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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

Release Date March 27 1999

**RUACH, INC.**  
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# LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants  
and Management Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Ruach, Inc.

We have audited the accompanying statement of financial position of Ruach, Inc. (a Louisiana nonprofit organization) as of December 31, 1998, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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. Those 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 audits provide 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 Ruach, Inc. as of December 31, 1998, and the changes in its 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 our report dated July 23, 1999, on our consideration of Ruach, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Ruach, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S.

Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "Luther C. Speight".

Luther C. Speight & Company

New Orleans, LA  
July 23, 1999

**RUACH, INC.**

**STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 1998**

	<b>1998</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 12,785
Accounts Receivable	689
Grant Receivable	329,792
Due From Other Programs	<u>86,046</u>
<b>Total Current Assets</b>	<b>429,312</b>
<b>Fixed Assets</b>	
Property and Equipment	61,379
Accumulated Depreciation	<u>(29,464)</u>
<b>Total Fixed Assets (Net)</b>	<b>31,915</b>
<b>Other Assets</b>	
Prepaid Insurance	<u>4,867</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 466,094</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Due to Other Programs	\$ 86,046
Payroll Taxes Payable	33,285
Accounts Payable	17,816
Line Of Credit	<u>170,000</u>
<b>Total Current Liabilities</b>	<b>307,147</b>
<b>NET ASSETS</b>	
Net Assets - Restricted (Property)	61,379
Net Assets - Unrestricted	38,220
Current Year Change In Net Assets	<u>59,348</u>
<b>Total Net Assets</b>	<b>158,947</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 466,094</u></u></b>

The accompanying notes are an integral part of the financial statements

**RUACH, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>1998</b>
<b>REVENUE</b>	
Grant Revenue	\$ 1,418,673
Interest Income	1,048
Miscellaneous Revenue	<u>3,670</u>
<b>Total Revenue</b>	<b>1,423,391</b>
<b>EXPENSES</b>	
<b>PROGRAM SERVICES:</b>	
Target Cities	1,115,390
C-SAP	46,984
D-Metro	<u>10,700</u>
<b>Total Program Services</b>	<b>1,173,074</b>
<b>SUPPORT SERVICES:</b>	
Management and General	<u>190,969</u>
<b>Total Expenses</b>	<b>1,364,043</b>
<b>CHANGE IN NET ASSETS</b>	<u><b>59,348</b></u>
<b>NET ASSETS, Beginning of Year</b>	<b>104,693</b>
<b>NET ASSET ADJUSTMENT</b>	<u><b>(5,094)</b></u>
<b>NET ASSETS, End of Year</b>	<u><u><b>\$ 158,947</b></u></u>

The accompanying notes are an integral part of the financial statements

RUACH, INC.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Changes in Net Assets	\$ 59,348
Adjustments to Reconcile Net Revenues over Expenditures to net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Depreciation	15,345
Accounts Receivable	3,552
Grant Receivable	(86,141)
Prepaid Insurance	(3)
Due From Other Programs	(2,463)
Payroll Taxes Payable	29,195
Due to Other Programs	2,463
Accounts Payable	(121,853)
LOC-Dryades Bank	<u>95,000</u>
Net Increase In Cash From Operating Activities	(5,557)

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Property and Equipment Purchases	<u>(4,902)</u>
Net Decrease in Cash From Investing Activities	(4,902)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Net Increase in Cash From Financing Activities	<u>0</u>
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**NET INCREASE IN CASH** (10,459)

**CASH, BEGINNING OF YEAR** 23,244

**CASH, END OF YEAR** \$ 12,785

The accompanying notes are an integral part of the financial statements

**RUACH, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

*General* - Ruach, Inc. (the Organization) is a nonprofit corporation which is located at 1515 Poydras St., in New Orleans, Louisiana. The Organization provides management consulting services to several substance abuse treatment centers in the New Orleans area. The program is primarily funded by grants from the Department of Health and Hospitals, Office of Alcohol and Drug Abuse.

*Basis of Accounting* - The financial statements of the Organization are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

*Property and Equipment* - Depreciation is provided over the estimated useful lives, which ranges from 3 to 40 years, of the related assets using primarily the straight-line method.

*Income Taxes* - The Organization has been determined to be tax exempt under Section 501 (c) of the Internal Revenue Code.

*Cash* - Cash is comprised of cash on hand and in banks.

*Grant Receivable* - Management does not consider any of the receivables to be uncollectible at December 31, 1998. Therefore, no allowance for doubtful accounts has been provided for.

**2. FUND BALANCE ADJUSTMENT**

The organizations' 1998 beginning fund balance did not agree with the prior year's audit. Management was unable to identify the difference and accordingly recorded a fund balance adjustment totaling \$ 5,094.

### 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 1998:

	1998
Furniture and Fixtures	\$ 755
Equipment	<u>60,624</u>
<b>TOTAL</b>	<u><b>\$61,379</b></u>

### 4. SUBSEQUENT EVENT

The Target Cities' Project which is Ruach, Inc.'s main source of funding was a five year demonstration program. The program was due to end on September 30, 1998. As of our report date, the organization was operating with a combination of carryover monies from the five fiscal years under the Target Cities' Project. The organization anticipates that the carryover funds will carry them through September 30, 1999.

**SUPPLEMENTARY INFORMATION**

**RUACH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

EXPENSE CATEGORY	PROGRAM SERVICES			D-METRO	TOTAL		SUPPORT SERVICES	TOTAL OPERATING EXPENSES
	Target Cities'	C-SAP	TOTAL		PROGRAM SERVICES	MANAGEMENT AND GENERAL		
Salaries	\$ 504,801	\$ 19,704	\$ 524,505		\$ 110,912	\$	\$	635,417
Group Insurance	72,766		72,766					72,766
Payroll Taxes	63,754	1,581	65,335		1,712			67,047
Client Intakes	29,714		29,714					29,714
Repair/Maintenance	9,408		9,408					9,408
Depreciation Expense	15,345		15,345					15,345
Equipment Lease			0					0
Office Rent	79,501		79,501					79,501
Insurance	8,216		8,216					8,216
Convention and Travel	21,551		21,551		7,463			29,014
Travel-Local	24,935	643	25,578		102			25,680
Courier/Delivery		3,070	3,070		61			3,131
Printing and Binding	7,555	178	7,733					7,733
Computer Services	15,667		15,667		40			15,707
Consultants	184,714	18,283	213,697	10,700	23,719			237,416
Bonus Expense					11,003			11,003
Accounting & Auditing		3,500	3,500		9,500			13,000
Computer Supplies	10,426		10,426		4,002			14,428
Office Expense	11,852	25	11,877		2,245			14,122
Postage	818		818		166			984
Information Services	40,491		40,491		6,591			47,082
Dues and Memberships			0		1,105			1,105
Seminars and Meetings	3,876		3,876		1,675			5,551
Donations	10,000		10,000		(6,100)			3,900
Interest Expense			0		5,526			5,526
Miscellaneous			0		11,247			11,247
<b>GRAND TOTAL</b>	<b>\$ 1,115,390</b>	<b>\$ 46,984</b>	<b>\$ 1,173,074</b>	<b>\$ 10,700</b>	<b>\$ 190,969</b>	<b>\$</b>	<b>\$</b>	<b>1,364,043</b>

See the Independent Auditor's Report

**SCHEDULE OF FEDERAL AWARDS**

**RUACH, INC.**  
**SCHEDULE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Federal Contract Number</u>	<u>Expenses</u>
Department of Health and Hospitals/Office of Alcohol and Drug Abuse	ADA-98-HP-522342	\$ 1,298,198
City of New Orleans	98-HLTH-063	<u>46,984</u>
Total		<u>\$ 1,345,182</u>



# LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants  
and Management Consultants

## 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 of  
Ruach, Inc.

We have audited the financial statements of Ruach, Inc. as of and for the year ended December 31, 1998, and have issued our report thereon dated July 23, 1999. 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 Ruach, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item #1 and #4.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ruach, 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention related to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Ruach, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item #1, #2, #3, #4, and #5.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Luther C. Speight & Company

New Orleans, Louisiana  
July 23, 1999



# LUTHER C. SPEIGHT & COMPANY

A Corporation of Certified Public Accountants  
and Management Consultants

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of  
Ruach, Inc.

### Compliance

We have audited the compliance of Ruach, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1998. Ruach, Inc.'s Major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its' major federal program is the responsibility of Ruach, Inc.'s management. Our responsibility is to express an opinion on Ruach, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Ruach, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ruach, Inc.'s compliance with those requirements.

In our opinion, Ruach, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1998. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Compliance

The management of Ruach, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ruach, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Luther C. Speight & Company

New Orleans, Louisiana  
July 23, 1999

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**RUACH, INC.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 1998**

**Section I - Summary of Auditor's Results**

Financial Statements

A unqualified opinion was issued on the financial statements of the auditee.

*Internal control over financial reporting:*

Material weakness(es) identified ?	_____yes	<u>  X  </u> no
Reportable condition(s) identified not considered to be material weaknesses ?	<u>  X  </u> yes	_____no

Noncompliance material to financial statements noted? \_\_\_\_\_yes   X  no

Federal Awards

*Internal control over major programs:*

Material weakness(es) identified?	_____yes	<u>  X  </u> no
Reportable condition(s) identified not considered to be material weaknesses ?	_____yes	<u>  X  </u> no

An unqualified opinion was issued on compliance for the major program.

Any audit findings disclosed that are required to be  
Reported in accordance with Circular  
A-133, Section 510(a)?

\_\_\_\_\_yes   X  no

The major program for the year ended December 31, 1998 was as follows:

Target Cities' Project      ADA – 96-HP-0237

**RUACH, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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**FINDING #1: ACCOUNTING RECORDS NOT AVAILABLE TIMELY**

**QUESTIONED COST: -0-**

**CONDITION:**

The accounting records for Ruach, Inc. were not available in a timely manner, as such the audit was delayed.

**EFFECT OF CONDITION:**

The effect of this condition is the organization's noncompliance with the requirements in Louisiana revised statutes (LSA-RS) 24.513.

**CRITERIA:**

The audit must be completed within six months of the close of the fiscal year, or if engaged after the close of the fiscal period, within six months of the engagement agreement.

**RECOMMENDATION:**

The audit should be engaged within six months of the fiscal year, or completed within six months of the engagement agreement.

## **FINDING #2: INADEQUATE CASH RECEIPT PROCEDURES**

**QUESTIONED COST: -0-**

### **CONDITION:**

During our evaluation of Ruach's internal control procedures for the cash receipts process, we noted the inadequacies detailed below:

- Checks were not stamped "For Deposit Only" immediately upon opening the mail.
- The employee who opens the mail does not prepare the check log.

### **EFFECT OF CONDITION:**

Although the cash receipts process is important in any control environment, it is especially critical in an organization that receives funding from various sources at varying times throughout the year. The organization also receives various checks from employees for repayment of phone usage charges. Without proper monitoring of those receipts, management may not detect revenues not received and/or receipts not deposited.

### **CRITERIA:**

The internal control process for cash receipts is critical in safeguarding the assets of an organization.

### **RECOMMENDATION:**

The cash receipt process should include stamping checks "For Deposit Only" immediately upon opening the mail and the completion of a check log at that time.

**FINDING #3: CONSOLIDATED GENERAL LEDGER LACKS DETAIL OF EXPENSES**

**QUESTIONED COST: -0-**

**CONDITION:**

During our examination of grant expenditures, we noted that several accounts were not posted in detail. The accounts contained monthly summary journal entries that were prepared by the external accountant who generates the consolidated financial statements for Ruach, Inc.

Any adjustments made by the external accountant were not recorded to the detailed general ledger. This resulted in the detailed general ledger not agreeing to the financial statements. The differences were subsequently manually reconciled by the external accountant.

The in-house and external accountants do not reconcile the amounts contained in the individual program financial statements to the expenses in the consolidated Ruach, Inc. financial statements.

**EFFECT OF CONDITION:**

The audit trail for expenses was lost and had to be recreated manually during the audit.

**CRITERIA:**

The grantee must provide an audit trail for its' financial statements to facilitate completion of an audit in accordance with grant agreements.

**RECOMMENDATION:**

We recommend that on a monthly basis the in-house and external accountants reconcile all financial statement balances to ensure that year-end amounts are agreeable and properly supported by detail.

**FINDING #4: RELATED PARTY TRANSACTIONS**

**QUESTIONED COST: \$ 1,500**

**CONDITION:**

During our review of consulting expenses, we noted payments to a board member that totaled \$ 1,500. The board member was contracted to provide accounting services that would summarize Ruach's financial statements in a manner that would be most useful to the Board. Further review showed that the services provided were not ultimately used in the accounting process at Ruach, Inc.

**EFFECT OF CONDITION:**

The hiring of a board member as a contractor results in a conflict of interests.

**CRITERIA:**

Related party transactions must be adequately disclosed according to generally accepted accounting principles.

**RECOMMENDATION:**

We further recommend that all related party transactions be adequately disclosed.

**FINDING #5: IMPROPER RECOGNITION OF PRIOR YEAR AUDIT  
ADJUSTMENTS**

**QUESTIONED COST: -0-**

**CONDITION:**

There were several prior year audit adjustments (mainly accruals) provided to Ruach, Inc. for posting to its' general ledger. Those audit adjustments were erroneously posted in the 1998 fiscal year to various expense and revenue accounts. As such, revenues and expenses were overstated and the beginning fund balance for the year was incorrect. Additionally, the posted audit adjustments were not reduced when actual payments were made, thereby overstating again the expense/revenue accounts and the corresponding liability/receivable accounts.

**EFFECT OF CONDITION:**

Various expense, revenue, liability, and receivable accounts, as well as the beginning fund balance account were not fairly stated at December 31, 1998.

**CRITERIA:**

The financial statements should be fairly stated in accordance with generally accepted accounting principles.

**RECOMMENDATION:**

We recommend that the organization post all audit adjustments appropriately and reconcile fund balance to audited amounts. Additionally, Ruach, Inc. should fully implement accrual accounting.

**RUACH, INC.**  
**UPDATE OF PRIOR YEAR FINDINGS**  
**12/31/98**

	<u>Resolved</u>	<u>Unresolved</u>
FINDING #1 Current year audit not engaged timely		X



July 30, 1999

Luther C. Speight  
Luther C. Speight & Company  
10001 Lake Forest Boulevard, Suite 404  
New Orleans, Louisiana 70127

Dear Mr. Speight:

Management has reviewed the initial findings of the Ruach audit report. Please accept the attached responses as resolution to the findings.

Thank you for your services and assistance, if there are any questions do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dr. Willie Gable, Jr.', is written over the word 'Sincerely,'. The signature is fluid and cursive, with a large loop at the end.

Dr. Willie Gable, Jr.  
CEO

Attachment

**RUACH, INC.  
RESPONSES TO SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

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**Finding #1: Current Year Audit Not Engaged**

A new procedure has been established to disseminate audit engagement bids within six months of the fiscal year to guarantee timely completion.

**Finding #2: Inadequate Cash Receipts Procedures**

Ruach has changed its cash receipt procedure to permit the person, who opens the mail to stamp "Ruach, Inc For Deposit Only" on all checks received as well as prepare the check log.

**Finding #3: Consolidated General Ledger Lacks Detail of Expenses**

Ruach recognized the consolidated general ledger problem during the 1998 fiscal year and began to install software to be used by both the internal and external accountants. This new system is currently being completed.

**Finding #4: Related Party Transactions**

The contracted board member, who is an accountant, was authorized by the Ruach Board of Directors to develop a simplified monthly financial report for the board from the detailed financials generated from the automated system. A contract was developed and executed by the board to adequately disclose the transition of service.

**Finding #5: Improper Recognition of Prior Year Audit Adjustments**

The audit adjustments for the prior year were not included in the current year's financial statements, because once a financial year is closed the system does not allow re-entries. The agency has implemented an accrual procedure that provides for any audit adjustments to be entered and noted.