

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

Terrebonne Association for Retarded Citizens, Inc.

June 30, 1996

	<u>Operating Fund</u>	<u>Infants Fund</u>	<u>School Fund</u>	<u>Adult Workshop Fund</u>
ASSETS				
Cash	\$ 622,325	\$ -	\$ -	\$ -
Investments	1,272,351	-	-	-
Receivables:		-	-	-
Accounts	-	-	-	21,885
Other	4,753	4	-	582
Due from other governmental units	26,849	2,997	7,917	64,238
Due from other funds	121,663	-	14,077	-
Prepaid expenditures	20,272	-	1,017	3,980
Inventory	27,069	-	-	30,930
Deposits	6,112	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$2,101,394</u>	<u>\$ 3,001</u>	<u>\$ 23,011</u>	<u>\$ 121,615</u>
LIABILITIES				
Accounts, salaries, and other payables	\$ 103,270	\$ 640	\$ 23,011	\$ 30,676
Due to other funds	-	2,361	-	60,009
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>103,270</u>	<u>3,001</u>	<u>23,011</u>	<u>90,685</u>
FUND EQUITY				
Fund balances:				
Reserved:				
Inventory	27,069			30,930
Donations	127,808			-
Subsequent year's expenditures	27,308			-
Unreserved - undesignated	1,815,939			-
	<u> </u>			<u> </u>
Total fund equity	<u>1,998,124</u>			<u>30,930</u>
	<u> </u>			<u> </u>
Totals	<u>\$2,101,394</u>	<u>\$ 3,001</u>	<u>\$ 23,011</u>	<u>\$ 121,615</u>

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS (Continued)

Office for Citizens with Developmental Disabilities:		
Adult Habilitation	\$64,240	
Independent Apartment Living	7,716	
Infant	2,594	
Respite	2,129	
General	<u>425</u>	77,104
Office of Family Support		<u>5,142</u>
Total Department of Health and Hospitals		166,292
Department of Education		<u>403</u>
Total State of Louisiana		166,695
Terrebonne Council on Aging		20,402
Terrebonne Parish School Board		<u>8,795</u>
Total		<u>\$ 195,892</u>

Note 5 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Such balances at June 30, 1996 are:

<u>Individual Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Special Revenue Funds:		
Operating Fund	\$121,663	\$ -
Infants Fund	-	2,361
School Fund	14,077	-
Adult Workshop Fund	-	60,009
Dixie Community Home Fund	-	28,570
Respite Fund	-	1,479
Independent Apartment Living Fund	-	6,645
Woodside Community Home Fund	-	16,449
Jane Community Home Fund	<u>-</u>	<u>20,227</u>
Totals	<u>\$135,740</u>	<u>\$135,740</u>

Note 6 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance July <u>1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Land and building	\$3,045,352	\$ 89,233	\$ -	\$3,134,585
Office furniture, equip- ment and fixtures	320,310	23,600	-	343,910
Machinery and equip- ment	<u>1,176,199</u>	<u>72,581</u>	<u>31,881</u>	<u>1,216,899</u>
Totals	<u>\$4,541,861</u>	<u>\$185,414</u>	<u>\$31,881</u>	<u>\$4,695,394</u>

Note 7 - LONG-TERM OBLIGATIONS

A long-term liability for accumulated unpaid vacation and sick leave of \$140,447, which represents the Association's commitment to fund such costs from future operations, has been recorded in the General Long-Term Obligations Account Group at June 30, 1996.

The following is a summary of the changes in long-term obligations of the Association for the year ended June 30, 1996:

Long-term obligations, July 1, 1995	\$158,393
Net decrease in accumulated unpaid vacation and sick leave	<u>(17,946)</u>
Long-term obligations, June 30, 1996	<u>\$140,447</u>

Note 8 - RISK MANAGEMENT

The Association is exposed to various risks of losses related to medical benefits provided to its employees. The Association currently reports all of its risk management activities in its General Fund. The Association provides coverage for up to a maximum of \$15,000 for each person per contract period. The Association is covered under an insurance contract for the excess liability up to \$1,000,000. Any claim in excess of \$1,000,000 is not covered by insurance. Incurred claims have not exceeded this commercial coverage in any of the past three fiscal years. Each employee pays a portion of an assessed

Note 8 - RISK MANAGEMENT (Continued)

"premium" depending upon the type of coverage. This "premium" is determined based upon recent trends in actual claims experience of the Association and other health care industry-related costs estimates. Claim expenditures are reported when it is probable that a loss has been incurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At June 30, 1996, the amount of this liability is \$23,546. This liability is the Association's best estimate based on available information. Changes in the reported liability during the past two years are as follows:

	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
1994 - 1995	\$52,000	\$514,099	\$523,572	\$42,527
1995 - 1996	\$42,527	\$480,548	\$499,535	\$23,540

Note 9 - DEFERRED COMPENSATION PLAN

At July 1, 1988, all employees of the Association had the option to participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The maximum compensation that may be deferred under the plan for the participant's taxable year shall not exceed certain limits as defined by Internal Revenue Code Section 457. Additional deferrals are allowed in certain years prior to retirement. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The Association has the responsibility for withholding and remitting contributions from participants to the plan. Aetna Life Insurance and Annuity Company serves as administrators and has the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specification and reporting annually to the participant and the Association on the status of the plan.

All assets of the plan, including all deferred amounts and all income attributable to such deferred amounts are the assets of the Association and are subject to the claims of the Association's general creditors.

	Operating Fund	Infants Fund	School Fund	Adult Workshop Fund
Excess (deficiency) of revenues over expenditures (brought forward)	1,414,977	(53,474)	(157,335)	(867,357)
Other Financing Sources (Uses)				
Operating transfers in:				
Operating Fund	-	53,474	157,335	745,630
Dixie Community Home Fund	-	-	-	46,424
Independent Apartment Living Fund	5,399	-	-	-
Woodside Community Home Fund	-	-	-	47,580
Jane Community Home Fund	6,690	-	-	41,356
Operating transfers out:				
Operating Fund	-	-	-	-
Infants Fund	(53,474)	-	-	-
School Fund	(157,335)	-	-	-
Adult Workshop Fund	(745,630)	-	-	-
Dixie Community Home Fund	(36,241)	-	-	-
Respite Fund	(27,850)	-	-	-
Woodside Community Home Fund	(113,783)	-	-	-
Total other financing sources (uses)	(1,122,224)	53,474	157,335	880,990
Excess of Revenues and Other Sources Over Expenditures and Other Uses	292,753			13,633
Fund Balances				
Beginning of year	1,705,371			17,297
End of year	\$ 1,998,124	\$ -	\$ -	\$ 30,930

Note 9 - DEFERRED COMPENSATION PLAN (Continued)

The Association has no liability for losses under the plan but it does have the duty of due care that would be required of an ordinary prudent investor. The Association believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The deferred compensation plan is accounted for in an Agency Fund. Activity of the fund for the year ended June 30, 1996 is as follows:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
ASSETS				
Investments	<u>\$7,450</u>	<u>\$1,034</u>	<u>\$20</u>	<u>\$8,464</u>
LIABILITIES				
Due to Deferred Compensation Program	<u>\$7,450</u>	<u>\$1,034</u>	<u>\$20</u>	<u>\$8,464</u>

Note 10 - RETIREMENT PLAN

The Association established a Cash or Deferred Profit-Sharing Plan for its eligible employees as of January 1, 1994. Under this plan participating employees are permitted to make elective deferrals in any amount from 1% to 20% of their compensation and the Association will match an amount equal to 50% of the amount contributed by the employee not to exceed 1.5% of the employee's compensation. Employees are fully vested immediately upon participating in the plan. The Association's cost of the plan for the year ended June 30, 1996 is \$14,023.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Operating Fund</u>	<u>Infants Fund</u>	<u>School Fund</u>	<u>Adult Workshop Fund</u>
Revenues				
Intergovernmental:				
State of Louisiana:				
Department of Education	\$ -	\$ 10,254	\$ -	\$ -
Department of Health and Hospitals:				
Office for Citizens with Development Disabilities	-	6,736	-	486,681
Department of Social Services:				
Office of Family Support	61,710	-	-	-
Department of Transportation and Development	21,287	-	-	-
Terrebonne Parish Consolidated Government	1,424,153	-	-	-
Terrebonne Parish School Board	-	-	95,000	-
Charges for services	300,778	12,914	3,725	581,816
Miscellaneous:				
Interest	54,769	-	-	-
Donations and dues	115,247	-	1,210	-
Other	25,614	-	-	700
	<u>2,003,558</u>	<u>29,904</u>	<u>99,935</u>	<u>1,069,197</u>
Expenditures				
Current:				
Health and welfare:				
Personal services	1,205,600	23,532	18,220	961,845
Supplies and materials	253,007	34	1,211	84,349
Other services and charges	188,540	10,067	21,919	154,513
Repairs and maintenance	92,954	649	2,941	16,156
Central administration and services	(1,226,249)	49,096	193,239	712,337
Capital expenditures	74,729	-	19,740	7,354
	<u>588,581</u>	<u>83,378</u>	<u>257,270</u>	<u>1,936,554</u>
Excess (deficiency) of revenues over expenditures (carry forward)	<u>1,414,977</u>	<u>(53,474)</u>	<u>(157,335)</u>	<u>(867,357)</u>

SPECIAL REVENUE FUNDS

Operating Fund - Accounts for all financial resources used to provide for the needs of the mentally retarded except those required to be accounted for in another fund.

Infants Fund - Accounts for financial resources used to operate a program for the care of infants on a daily basis.

School Fund - Accounts for the financial resources used to provide for the educational needs of the mentally retarded through the School for Exceptional Children.

Adult Workshop Fund - Accounts for financial resources used to operate various day programs for the mentally retarded.

Dixie Community Home Fund - Accounts for financial resources used to provide for the needs of the residents of the Dixie Community Home.

Respite Fund - Accounts for financial resources used to operate a program for the care of clients on a temporary basis.

Independent Apartment Living Fund - Accounts for financial resources used to assist clients with daily living expenses.

Woodside Community Home Fund - Accounts for financial resources used to provide for the needs of the residents of the Woodside Community Home.

Jane Community Home Fund - Accounts for financial resources used to provide for the needs of the residents of the Jane Community Home.

<u>Dixie Community Home Fund</u>	<u>Respite Fund</u>	<u>Independent Apartment Living Fund</u>	<u>Woodside Community Home Fund</u>	<u>Jane Community Home Fund</u>	<u>Total</u>
\$ 200	\$ 10	\$ -	\$ 210	\$ 200	\$ 622,945
-	-	-	-	-	1,272,351
-	-	-	-	-	21,885
134	4	26	16	69	5,588
34,878	2,129	7,716	22,709	26,459	195,892
-	-	-	-	-	135,740
714	230	-	427	318	26,958
-	-	-	-	-	57,999
80	-	-	115	115	6,422
<u>\$ 36,006</u>	<u>\$ 2,373</u>	<u>\$ 7,742</u>	<u>\$ 23,477</u>	<u>\$ 27,161</u>	<u>\$ 2,345,780</u>
\$ 7,436	\$ 894	\$ 1,097	\$ 7,028	\$ 6,934	\$ 180,986
28,570	1,479	6,645	16,449	20,227	135,740
<u>36,006</u>	<u>2,373</u>	<u>7,742</u>	<u>23,477</u>	<u>27,161</u>	<u>316,726</u>
					57,999
					127,808
					27,308
					<u>1,815,939</u>
					<u>2,029,054</u>
<u>\$ 36,006</u>	<u>\$ 2,373</u>	<u>\$ 7,742</u>	<u>\$ 23,477</u>	<u>\$ 27,161</u>	<u>\$ 2,345,780</u>

<u>Dixie Community Home Fund</u>	<u>Respite Fund</u>	<u>Independent Apartment Living Fund</u>	<u>Woodside Community Home Fund</u>	<u>Jane Community Home Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,254
-	-	11,995	-	-	505,412
-	-	-	-	-	61,710
-	-	-	-	-	21,287
-	-	-	-	-	1,424,153
-	-	-	-	-	95,000
312,631	29,978	66,038	265,444	264,237	1,837,561
-	-	-	-	-	54,769
-	-	-	-	-	116,457
-	-	-	600	-	26,914
<u>312,631</u>	<u>29,978</u>	<u>78,033</u>	<u>266,044</u>	<u>264,237</u>	<u>4,153,517</u>
172,279	33,011	43,035	100,310	97,154	2,654,986
11,450	1,287	199	9,749	11,058	372,344
36,393	6,828	3,895	42,378	31,244	495,777
2,592	606	679	4,170	2,609	123,356
79,734	16,096	23,527	78,669	73,551	-
-	-	1,299	96,971	575	200,668
<u>302,448</u>	<u>57,828</u>	<u>72,634</u>	<u>332,247</u>	<u>216,191</u>	<u>3,847,131</u>
<u>10,183</u>	<u>(27,850)</u>	<u>5,399</u>	<u>(66,203)</u>	<u>48,046</u>	<u>306,386</u>

NOTES TO FINANCIAL STATEMENTS**Terrebonne Association for Retarded Citizens, Inc.**

June 30, 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

a) Reporting Entity

The Terrebonne Association for Retarded Children, Inc. was organized as a nonprofit corporation on March 21, 1962. On March 1, 1979, the corporation's name was changed to Terrebonne Association for Retarded Citizens, Inc. The Association administers programs to provide for the needs of the mentally retarded. Tax exempt status has been granted under Internal Revenue Code Section 501(c)3.

The Association is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and as such, these component unit financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ending December 31, 1996.

The Association has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

The Association uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Note 11 - RESERVES IN FUND BALANCE

A summary of changes in fund balance reserves follows:

	Balances July 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balances June 30, <u>1996</u>
Inventory	\$ 50,649	\$ 57,999	\$ 50,649	\$ 57,999
Donations	192,214	111,465	175,871	127,808
Subsequent years' expenditures	<u>50,354</u>	<u>106,157</u>	<u>129,203</u>	<u>27,308</u>
Totals	<u>\$293,217</u>	<u>\$275,621</u>	<u>\$355,723</u>	<u>\$213,115</u>

The Association created the reserve for subsequent years' expenditures to allow future expenditures for the following:

Prepaid expenses	\$26,959
People first	<u>349</u>
Total	<u>\$27,308</u>

Note 12 - LITIGATION

The Association is a defendant in a lawsuit arising out of the discharge of an employee. The petitioner seeks damages of \$70,000 plus damages for emotional distress for breach of contract and wrongful termination. Legal counsel engaged by the Association is not in a position to predict the eventual outcome. While it is not feasible to predict or determine the outcome of this matter, it is the opinion of management that the outcome will have no material adverse effect on the financial position of the Association.

Note 13 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 1996.

Note 2 - CASH AND INVESTMENTS (Continued)

insurance are collateralized by securities held by an unaffiliated bank in the name of the financial institution pledged to the Association. At June 30, 1996, the Association's cash and investments were adequately collateralized after FDIC insurance.

During the year, the Association's investments consisted solely of interest bearing bank accounts, certificates of deposit, treasury bills, and assets held in the deferred compensation plan. At June 30, 1996, deferred compensation plan assets consist of unit values of various investment funds and money market funds.

Note 3 - FUNDING POLICIES

The Association receives federal and state funding on a per diem per client/unit basis and on a reimbursement for actual expenditure basis. Funding from the Office of Citizens with Developmental Disabilities (adult care) is received on a per diem/unit basis. Funding from the Department of Education for infant care and the Office of Family Support is received on a reimbursement basis. In addition, the Association performs prescribed habilitation services and residential care and housing services for assigned rates by Title XIX passed through the Office of Family Security.

The Association also receives contributions from the Parish. Monies from the Parish are primarily from a 5.08 mill parish-wide ad valorem tax for the purpose of operating, maintaining and constructing schools for the mentally retarded. Contributions from the Parish are reported as intergovernmental revenue and amounted to \$1,424,153 during the year ended June 30, 1996.

If significant budget cuts are made at the federal, state and/or local government levels the amount of funds the Association receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1996 consist of the following:

State of Louisiana -	
Department of Health and Hospitals:	
Office of Family Security:	
Title XIX - Per diem	<u>\$ 84,046</u>

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Prepaid Expenditures

The Association has chosen to record prepaid expenditures in its accounting records.

m) Allocation of Expenditures

The Association allocates all general and administrative costs to the various programs based upon employees' reported level of efforts and total expenditures in each fund at the end of its fiscal year.

n) Reclassification and Other Changes

Revenues received from the Federal Department of Health and Human Services passed through the Louisiana Department of Health and Hospitals, Office of Family Security for residential care and housing services on a per diem/unit basis are reported as charges for services. In prior years these revenues were reported as intergovernmental revenues.

During the year ended June 30, 1996, the Association purchased the Woodside Community Home. The residents, staff and equipment at the Deborah Community Home were moved into the Woodside Community Home. The financial position and operating results of the Deborah and Woodside Community Homes have been combined and reported as the Woodside Community Home Fund.

o) Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS

The Association is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. The Association, however, obtains collateralization for cash and investments at financial institutions which are in excess of the FDIC insurance. Cash and investments in excess of the FDIC

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Accumulated Vacation and Sick Leave (Continued)

Vacation benefits accrue each pay period of employment. TARC grants paid vacation time to regular, full-time employees who work at least 240 days per year according to their continuous length of service with the Association. The length of paid vacation time is as follows:

<u>Years of service</u>	<u>Paid vacation allowance</u>
Less than 1 year	None
1 year to 3 years	1 week
4 years to 10 years	2 weeks
11 years to 19 years	3 weeks
20 years and above	4 weeks

Employees are not allowed to carry forward more than 20 days per year.

All regular full-time employees who work 240 days or more per year are eligible for twelve days of paid sick time each year. Those full-time employees who work less than 240 days per year are eligible for twelve days of paid sick time each year and two personal days. Personal days will be given on the employee's anniversary date after a year of employment and will not be carried forward. Employees may accumulate a maximum of up to 30 days of paid sick time.

Upon resignation or termination, employees are paid for all accumulated vacation leave and no sick leave.

In the Governmental Funds, all accumulated vacation and sick leave benefits are recorded in the General Long-Term Obligations Account Group.

j) Donations

Donations are reserved by the Association to set aside donated funds for future client-related expenditures as specified by the donor or the Association.

k) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers, is not utilized by the Association.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Fixed Assets and Long-Term Obligations (Continued)

measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The total estimated historical cost is not available.

Long-term obligations expected to be financed from Governmental Funds are accounted for in the General Long-Term Obligations Account Group, not in the Governmental Funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligations Account Group.

i) Accumulated Vacation and Sick Leave

Accumulated vacation and sick leave are recorded as an expenditure of the period in which paid in all Governmental Funds.

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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

Governmental Fund

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary Fund

Agency Fund - The Agency Fund is used to account for assets of the deferred compensation plan held by the Association in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

General Fixed Asset Account Group - The General Fixed Asset Account Group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust fund.

c) Basis of Accounting

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

All Governmental Funds and Agency Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Association's intergovernmental fundings are described in Note 3. Miscellaneous revenues are recorded as revenues when received in cash by the Association because they are generally not measurable

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - GOVERNMENTAL FUND TYPE**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	Special Revenue		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Intergovernmental			
Charges for services	\$ 2,109,275	\$ 2,117,816	\$ 8,541
Miscellaneous	1,738,095	1,837,561	99,466
	166,549	198,140	31,591
Total revenues	4,013,919	4,153,517	139,598
Expenditures			
Current:			
Health and welfare:			
Personal services	2,732,228	2,654,986	77,242
Supplies and materials	359,860	372,344	(12,484)
Other services and charges	604,546	495,777	108,769
Repairs and maintenance	128,239	123,356	4,883
Capital expenditures	185,166	200,668	(15,502)
Total expenditures	4,010,039	3,847,131	162,908
Excess of revenues over expenditures	3,880	306,386	302,506
Other Financing Sources (Uses)			
Operating transfers in	1,336,885	1,281,762	(55,123)
Operating transfers out	(1,336,885)	(1,281,762)	55,123
Total other financing sources	-	-	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 3,880</u>	306,386	<u>\$ 302,506</u>
Fund Balances			
Beginning of year		1,722,668	
End of year		<u>\$ 2,029,054</u>	

The accompanying notes are an integral part of this statement.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**Terrebonne Association for Retarded Citizens, Inc.**

June 30, 1996

	Governmental	Fiduciary	Account Groups		Total (Memorandum Only)
	Fund Type Special Revenue	Fund Type Agency	General Fixed Assets	Long- Term Obligations	
ASSETS					
Cash	\$ 622,945	\$ 8,464	\$ -	\$ -	\$ 631,409
Investments	1,272,351	-	-	-	1,272,351
Receivables:					
Accounts	21,885	-	-	-	21,885
Other	5,588	-	-	-	5,588
Due from other governmental units	195,892	-	-	-	195,892
Due from other funds	135,740	-	-	-	135,740
Prepaid expenditures	26,958	-	-	-	26,958
Inventory	57,999	-	-	-	57,999
Deposits	6,422	-	-	-	6,422
Fixed assets	-	-	4,695,394	-	4,695,394
Amount to be provided for retirement of general long-term obligations	-	-	-	140,447	140,447
Totals	\$2,345,780	\$ 8,464	\$4,695,394	\$ 140,447	\$7,190,085
LIABILITIES					
Accounts, salaries, and other payables	\$ 180,986	\$ 8,464	-	\$ -	\$ 189,450
Due to other funds	135,740	-	-	-	135,740
Long-term obligations	-	-	-	140,447	140,447
Total liabilities	316,726	8,464		140,447	465,637
FUND EQUITY					
Investment in general fixed assets			\$4,695,394		4,695,394
Fund balances:					
Reserved:					
Inventory	57,999				57,999
Donations	127,808				127,808
Subsequent year's expenditures	27,308				27,308
Unreserved - undesignated	1,815,939				1,815,939
Total fund balances	2,029,054				2,029,054
Total fund equity	2,029,054		4,695,394		6,724,448
Commitments and contingency (Note 12)					
Totals	\$2,345,780	\$ 8,464	\$4,695,394	\$ 140,447	\$7,190,085

The accompanying notes are an integral part of this statement.

In accordance with Government Auditing Standards, we have also issued a report dated August 30, 1996 on our consideration of the Terrebonne Association for Retarded Citizens, Inc.'s internal control structure and a report dated August 30, 1996 on its compliance with laws and regulations.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the accompanying general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 1996, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Association's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Terrebonne Association for Retarded Citizens, Inc. as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying statements listed as "Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

<u>Dixie Community Home Fund</u>	<u>Respite Fund</u>	<u>Independent Apartment Living Fund</u>	<u>Woodside Community Home Fund</u>	<u>Jane Community Home Fund</u>	<u>Total</u>
<u>10,183</u>	<u>(27,850)</u>	<u>5,399</u>	<u>(66,203)</u>	<u>48,046</u>	<u>306,386</u>
36,241	27,850	-	113,783	-	1,134,313
-	-	-	-	-	46,424
-	-	-	-	-	5,399
-	-	-	-	-	47,580
-	-	-	-	-	48,046
-	-	(5,399)	-	(6,690)	(12,089)
-	-	-	-	-	(53,474)
-	-	-	-	-	(157,335)
(46,424)	-	-	(47,580)	(41,356)	(880,990)
-	-	-	-	-	(36,241)
-	-	-	-	-	(27,850)
-	-	-	-	-	(113,783)
<u>(10,183)</u>	<u>27,850</u>	<u>(5,399)</u>	<u>66,203</u>	<u>(48,046)</u>	<u>-</u>
					306,386
					<u>1,722,668</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,029,054</u>

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, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting

- Budgeting
- Cash Receipts
- Cash Disbursements
- Payroll
- Fixed Assets

General Requirements

- Political Activity
- Civil Rights
- Allowable Costs
- Drug-Free Workplace
- Administrative Requirements

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

During the year ended June 30, 1996, the Association had no major federal financial assistance programs and expended 100% of its total federal financial assistance programs under the following nonmajor programs: Project Independence, IDEA, Part H, and Public Transportation Capital Assistance Program.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material 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 the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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June 30, 1996

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Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

until actually received. Charges for services are recorded when earned since they are measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is accumulated unpaid vacation and sick pay which is recognized when due.

d) Operating Budgetary Data

The Association is a quasi-governmental entity which is not legally required to adopt budgets. Budgets for the Special Revenue Funds are adopted by the Board of Directors of the Association and submitted to the Parish for approval. The budget is adopted on an entity-wide basis. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end. Budgets are adopted on a basis materially consistent with generally accepted accounting principles.

e) Investments

Investments are stated at cost which approximates market.

f) Bad Debts

Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

g) Inventory

Inventory in the Governmental Funds consist of expendable materials, supplies and products held for sale. Inventory is valued at the lower of cost (first-in, first-out) or market. The cost is recorded as an expenditure at the time the individual inventory items are used or sold utilizing the consumption method.

h) Fixed Assets and Long-Term Obligations

The accounting and reporting treatment applied to the fixed assets and long-term obligations associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow"

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the Association's ability to administer federal programs in accordance with applicable laws and regulations. The reportable condition noted is described in Schedule 1.

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 financial assistance program 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 structure policies and procedures used in administering federal financial assistance 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, we believe that the reportable condition described in Schedule 1 is not a material weakness.

This report is intended for the information of the Board of Directors, management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.

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Financial Report
Terrebonne Association for Retarded Citizens, Inc.
Houma, Louisiana
June 30, 1996

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 DEC 18 1996

To the Board of Directors
Terrebonne Association for Retarded Citizens, Inc.
August 30, 1996
Page 2

4) **SIGNIFICANT AUDIT ADJUSTMENTS**

We initiated audit adjustments during our recent audit. Copies have been furnished to management.

This information is intended solely for the use of the Audit Committee, Board of Directors, management of the Association and should not be used for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.



Bourgeois Bennett

COMMUNICATIONS WITH BOARD OF DIRECTORS

To the Board of Directors of the,
Terrebonne Association for
Retarded Citizens, Inc.,
Houma, Louisiana.

In fulfilling our responsibility as Terrebonne Association for Retarded Citizens, Inc. auditors for the year ended June 30, 1996, we are required to communicate to the Board of Directors certain matters related to the conduct of our audit.

1) AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our audit was conducted in accordance with generally accepted auditing standards and "Government Auditing Standards" issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, separate letters have been issued on internal control and compliance with laws and regulations.

We have complied with the requirements of OMB Circular A-128.

2) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted nor required to be adopted for the twelve month period ended June 30, 1996.

3) MANAGEMENT JUDGEMENTS AND ACCOUNTING ESTIMATES

The most significant estimates reflected in the financial statements relate to the collectibility of accounts receivable and claims and judgements incurred. Management has provided us with representations concerning these matters.

COMMUNICATIONS LETTER

SCHEDULE OF REPORTABLE CONDITIONS

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

The following condition was reported to the Association in prior years, but has not been adequately resolved.

- **Condition** - A detailed listing of property was established from a physical inventory of all assets. The list is not properly priced for historical or estimated costs.

Recommendation - The detailed property records should be priced at historical cost of all assets. Where historical cost are not available, the Association should employ estimates to approximate the cost at acquisition.

Response - The Association has completed a detailed listing of property and is in the process of properly pricing all assets at historical or estimated costs if historical costs are not available.

NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Terrebonne Association for Retarded Citizens, Inc.

June 30, 1996

Note 1 - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-128, SINGLE AUDIT ACT OF 1984

All Federal grant awards of the Terrebonne Association for Retarded Citizens, Inc. are included in the scope of the OMB Circular A-128, Single Audit Act of 1984. The United States Department of Health and Human Services is the Association's cognizant federal audit agency and the Louisiana State Department of Health and Hospitals is the state cognizant audit agency for the single audit.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Financial Assistance has been prepared on the accrual basis of accounting. Accrued revenue at year end represents entitlements not yet received. Deferred revenue at year end represents funds received in excess of reimbursable expenditures incurred.

Received - Cash Basis	Grant Revenues Accrued (Deferred)		Accrual Basis	Other Revenues Accrual Basis State & Local	Expenditures
	June 30, 1995	June 30, 1996			
\$ 20,570	\$ 20,570	\$ -	\$ -	\$ -	\$ -
56,568	-	5,142	61,710	-	(1) 61,710
2,499	2,499	-	-	-	-
7,460	-	-	7,460	-	7,460
683	-	-	683	-	683
1,708	-	403	2,111	-	2,111
<u>21,287</u>	<u>-</u>	<u>-</u>	<u>21,287</u>	<u>9,123</u>	<u>30,410</u>
<u>\$ 110,775</u>	<u>\$ 23,069</u>	<u>\$ 5,545</u>	<u>\$ 93,251</u>	<u>\$ 9,123</u>	<u>\$ 102,374</u>

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Terrebonne Association for Retarded Citizens, Inc.

For the year ended December 31, 1996

<u>Federal Granting Agency Recipient State Agency/ Grant Program</u>	<u>Grant Period</u>	<u>Federal Catalog Number</u>
<u>Department of Health and Human Services:</u>		
<u>Pass Through Payments</u>		
<u>Department of Social Services Office of Family Support</u>		
Project Independence Transportation Contract	7/01/94 - 6/30/95	93.56
	7/01/95 - 6/30/96	93.56
<u>Department of Education</u>		
IDEA, Part H Project #94-CIT5-DE	6/01/95 - 9/30/95	84.18
IDEA, Part H Project #95-CIT3-DE	6/01/95 - 9/30/95	84.18
IDEA, Part H Project #95-CIT4-DE	10/01/95 - 11/30/95	84.18
IDEA, Part H Project #95-CIT5-DE	12/01/95 - 6/30/96	84.18
<u>Federal Transit Administration</u>		
<u>Pass Through Payments from Department of Transportation and Development</u>		
Public Transportation Capital Assistance Program	1995 - 1996	20.500
Totals		

(1) Funding is 50% federal and 50% state.



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 30, 1996. These general purpose financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these general purpose 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Association taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.



Bourgeois Bennett

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

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association) a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 30, 1996.

In connection with our audit of the general purpose financial statements of the Association, and with our consideration of the Association's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and other specific requirements that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association's compliance with these requirements. Accordingly, we 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 our attention that caused us to believe that the Association had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.

in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition noted is described in Schedule 1.

A material weakness is a reportable condition in which the design or operation of one or more 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 general purpose 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 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, we believe that the reportable condition described in Schedule 1 is not a material weakness.

This report is intended for the information of the Board of Directors, management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.



Bourgeois Bennett

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

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 30, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose 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 general purpose financial statements are free of material misstatement, we performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of the Board of Directors, management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,
August 30, 1996.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - SPECIAL REVENUE FUND - OPERATING FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 1,487,363	\$ 1,507,150	\$ 19,787
Charges for services	295,720	300,778	5,058
Miscellaneous	82,049	195,630	113,581
Total revenues	<u>1,865,132</u>	<u>2,003,558</u>	<u>138,426</u>
Expenditures			
Current:			
Health and welfare:			
Personal services	1,261,072	1,205,600	55,472
Supplies and materials	232,685	253,007	(20,322)
Other services and charges	250,538	188,540	61,998
Repairs and maintenance	87,938	92,954	(5,016)
Central administration and services	(1,226,249)	(1,226,249)	-
Capital expenditures	64,016	74,729	(10,713)
Total expenditures	<u>670,000</u>	<u>588,581</u>	<u>81,419</u>
Excess of revenues over expenditures	1,195,132	1,414,977	219,845
Other Financing Uses			
Operating transfers out	<u>(1,204,885)</u>	<u>(1,122,224)</u>	<u>82,661</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(9,753)	292,753	302,506
Fund Balance			
Beginning of year	<u>1,705,371</u>	<u>1,705,371</u>	-
End of year	<u>\$ 1,695,618</u>	<u>\$ 1,998,124</u>	<u>\$ 302,506</u>



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE
INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 30, 1996.

We conducted our 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-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Association in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements of the Association and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 30, 1996.

The management of the Association is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed



Bourgeois Bennett

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

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 30, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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 general purpose 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 our audit of the financial statements of the Association for the year ended June 30, 1996, we obtained an understanding on the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUND - JANE COMMUNITY HOME FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 267,068	\$ 264,237	\$ (2,831)
Expenditures			
Current:			
Health and welfare:			
Personal services	113,804	97,154	16,650
Supplies and materials	12,524	11,058	1,466
Other services and charges	32,746	31,244	1,502
Repairs and maintenance	3,650	2,609	1,041
Central administration and services	73,551	73,551	-
Capital expenditures	1,000	575	425
Total expenditures	<u>237,275</u>	<u>216,191</u>	<u>21,084</u>
Excess of revenues over expenditures	29,793	48,046	18,253
Other Financing Uses			
Operating transfers out	<u>(29,793)</u>	<u>(48,046)</u>	<u>(18,253)</u>
Excess of Revenues Over Expenditures and Other Uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		-	
End of year		<u>\$ -</u>	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUND - WOODSIDE COMMUNITY HOME FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 267,881	\$ 265,444	\$ (2,437)
Miscellaneous	-	600	600
	<u>267,881</u>	<u>266,044</u>	<u>(1,837)</u>
Total revenues			
Expenditures			
Current:			
Health and welfare:			
Personal services	105,781	100,310	5,471
Supplies and materials	12,000	9,749	2,251
Other services and charges	40,020	42,378	(2,358)
Repairs and maintenance	3,100	4,170	(1,070)
Central administration and services	78,669	78,669	-
Capital expenditures	91,000	96,971	(5,971)
	<u>330,570</u>	<u>332,247</u>	<u>(1,677)</u>
Total expenditures			
Deficiency of revenues over expenditures	(62,689)	(66,203)	(3,514)
Other Financing Sources			
Operating transfers in	62,689	66,203	3,514
	<u>62,689</u>	<u>66,203</u>	<u>3,514</u>
Excess of Revenues and Other Sources Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		-	
End of year		<u>\$ -</u>	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
- SPECIAL REVENUE FUND - INDEPENDENT APARTMENT LIVING FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ -	\$ 11,995	\$ 11,995
Charges for services	<u>68,307</u>	<u>66,038</u>	<u>(2,269)</u>
Total revenues	<u>68,307</u>	<u>78,033</u>	<u>9,726</u>
Expenditures			
Current:			
Health and welfare:			
Personal services	58,643	43,035	15,608
Supplies and materials	284	199	85
Other services and charges	2,859	3,895	(1,036)
Repairs and maintenance	740	679	61
Central administration and services	23,527	23,527	-
Capital expenditures	<u>1,519</u>	<u>1,299</u>	<u>220</u>
Total expenditures	<u>87,572</u>	<u>72,634</u>	<u>14,938</u>
Excess (deficiency) of revenues over expenditures	(19,265)	5,399	24,664
Other Financing Sources (Uses)			
Operating transfers in (out)	<u>19,265</u>	<u>(5,399)</u>	<u>(24,664)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance			
Beginning of year		-	
End of year		<u>\$ -</u>	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - SPECIAL REVENUE FUND - RESPITE FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for services	\$ 28,279	\$ 29,978	\$ 1,699
Expenditures			
Current:			
Health and welfare:			
Personal services	29,879	33,011	(3,132)
Supplies and materials	1,356	1,287	69
Other services and charges	5,059	6,828	(1,769)
Repairs and maintenance	1,400	606	794
Central administration and services	16,096	16,096	-
Capital expenditures	5,000	-	5,000
Total expenditures	58,790	57,828	962
Excess (deficiency) of revenues over expenditures	(30,511)	(27,850)	2,661
Other Financing Sources			
Operating transfers in	30,511	27,850	(2,661)
Excess of Revenues and Other Sources Over Expenditures	\$ -	-	\$ -
Fund Balance			
Beginning of year		-	
End of year		\$ -	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUND - DIXIE COMMUNITY HOME FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for services	<u>\$ 310,041</u>	<u>\$ 312,631</u>	<u>\$ 2,590</u>
Expenditures			
Current:			
Health and welfare:			
Personal services	179,771	172,279	7,492
Supplies and materials	13,042	11,450	1,592
Other services and charges	35,911	36,393	(482)
Repairs and maintenance	4,400	2,592	1,808
Central administration and services	79,734	79,734	-
Capital expenditures	<u>631</u>	<u>-</u>	<u>631</u>
Total expenditures	<u>313,489</u>	<u>302,448</u>	<u>11,041</u>
Excess (deficiency) of revenues over expenditures	(3,448)	10,183	13,631
Other Financing Sources (Uses)			
Operating transfers in (out)	<u>3,448</u>	<u>(10,183)</u>	<u>(13,631)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - SPECIAL REVENUE FUND - ADULT WORKSHOP FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$ 481,881	\$ 486,681	\$ 4,800
Charges for services	500,799	581,816	81,017
Miscellaneous	-	700	700
	<u>982,680</u>	<u>1,069,197</u>	<u>86,517</u>
Total revenues			
Expenditures			
Current:			
Health and welfare:			
Personal services	958,767	961,845	(3,078)
Supplies and materials	86,080	84,349	1,731
Other services and charges	115,645	154,513	(38,868)
Repairs and maintenance	21,861	16,156	5,705
Central administration and services	712,337	712,337	-
Capital expenditures	15,300	7,354	7,946
	<u>1,909,990</u>	<u>1,936,554</u>	<u>(26,564)</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	(927,310)	(867,357)	59,953
Other Financing Sources			
Operating transfers in	940,943	880,990	(59,953)
	<u>940,943</u>	<u>880,990</u>	<u>(59,953)</u>
Excess of Revenues and Other Sources Over Expenditures	<u>\$ 13,633</u>	13,633	<u>\$ -</u>
Fund Balances			
Beginning of year		17,297	
End of year		<u>\$ 30,930</u>	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - SPECIAL REVENUE FUND - SCHOOL FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 95,544	\$ 95,000	\$ (544)
Charges for services	-	3,725	3,725
Miscellaneous	84,500	1,210	(83,290)
Total revenues	180,044	99,935	(80,109)
Expenditures			
Current:			
Health and welfare:			
Personal services	-	18,220	(18,220)
Supplies and materials	789	1,211	(422)
Other services and charges	107,473	21,919	85,554
Repairs and maintenance	4,750	2,941	1,809
Central administration and services	193,239	193,239	-
Capital expenditures	6,700	19,740	(13,040)
Total expenditures	312,951	257,270	55,681
Deficiency of revenues over expenditures	(132,907)	(157,335)	(24,428)
Other Financing Sources			
Operating transfers in	132,907	157,335	24,428
Excess of Revenues and Other Sources Over Expenditures			
	\$ -	-	\$ -
Fund Balance			
Beginning of year		-	
End of year		\$ -	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND
ACTUAL - SPECIAL REVENUE FUND - INFANTS FUND**

Terrebonne Association for Retarded Citizens, Inc.

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 44,487	\$ 16,990	\$ (27,497)
Charges for services	-	12,914	12,914
	<u>44,487</u>	<u>29,904</u>	<u>(14,583)</u>
Total revenues			
Expenditures			
Current:			
Health and welfare:			
Personal services	24,511	23,532	979
Supplies and materials	1,100	34	1,066
Other services and charges	14,295	10,067	4,228
Repairs and maintenance	400	649	(249)
Central administration and services	49,096	49,096	-
	<u>89,402</u>	<u>83,378</u>	<u>6,024</u>
Total expenditures			
Deficiency of revenues over expenditures	(44,915)	(53,474)	(8,559)
Other Financing Sources			
Operating transfers in	<u>44,915</u>	<u>53,474</u>	<u>8,559</u>
Excess of Revenues and Other Sources Over Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance			
Beginning of year		<u>-</u>	
End of year		<u>\$ -</u>	



Bourgeois Bennett

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

To the Board of Directors of the
Terrebonne Association for Retarded Citizens, Inc.,
Houma, Louisiana.

We have audited the general purpose financial statements of the Terrebonne Association for Retarded Citizens, Inc. (the Association), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 30, 1996.

We have applied procedures to test the Association's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

- Political Activity
- Civil Rights
- Allowable costs
- Drug-Free Workplace Act
- Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Association's compliance with the requirements listed in the preceding paragraph. Accordingly, we 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 our attention that caused us to believe that the Association had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Directors, management, and various federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, La.,

August 30, 1996.

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