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ARCO

A Community Resource

FINANCIAL STATEMENTS

For The Year Ended June 30, 1996

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Release Date SEP 25 1996

SEP 25 1996
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ASSOCIATION FOR RETARDED CITIZENS/QUACHTA

JUNE 30, 1996

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ASSOCIATION FOR RETARDED CITIZENS/SOUACHITA

JUNE 30, 1986

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of Association for
Retarded Citizens/Ouachita
Monroe, Louisiana

We have audited the accompanying statement of financial position of Association For Retarded Citizens/Ouachita (a nonprofit organization - the Association) as of June 30, 1996, and the related statements of activities, functional expenses and cash flows for the year then ended. These 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 the standards for financial and compliance audits contained in *Governance 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 1996, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, in 1996 the Association changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

In accordance with *Governance Auditing Standards*, we have also issued a report dated October 11, 1996 on our consideration of the Association's internal control structure and a report dated October 11, 1996 on its compliance with laws and regulations.

The Board of Directors of Association for
Retarded Citizens/Ouachita
Page 3

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included as "Other Supplementary Data" in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Association. 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.



Minors, Louisiana
October 11, 1998

ASSOCIATION FOR RETARDED CITIZENS/MOCHITA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1996

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
ASSETS			
Cash	\$ 302,480	\$ 0	\$ 302,480
Accounts Receivable	139,069	90,362	210,430
Interfund Receivables	693,258	0	693,258
Prepaid Expenses	1,990	9,123	11,073
Land, Building and Equipment	589,297	4,978	602,875
Accumulated Depreciation	<u>(324,209)</u>	<u>(2,747)</u>	<u>(216,947)</u>
TOTAL ASSETS	\$ 1,491,873	\$ 101,316	\$ 1,593,181
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ 37,382	\$ 0	\$ 37,382
Payroll Taxes Payable	5,669	0	5,669
Accrued Payroll	23,883	0	23,883
Interfund Payables	693,258	0	693,258
Notes Payable	348,146	0	348,146
Capital Lease Payable	2,621	0	2,621
Total Liabilities	<u>1,180,769</u>	<u>0</u>	<u>1,180,769</u>
Net Assets			
Unrestricted	381,106	0	381,106
Temporarily Restricted	0	101,316	101,316
Total/Net Assets	<u>381,106</u>	<u>101,316</u>	<u>482,422</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,491,873	\$ 101,316	\$ 1,593,181

The accompanying notes are an integral part of this statement.

ASSOCIATION FOR RETARDED CITIZENS/OUACHITA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Intergovernmental	\$ 1,491,928	\$ 21,287	\$ 1,513,215
Charges for Services	152,236	0	152,236
United Way Allocation	0	238,194	238,194
Contributions	32,914	0	32,914
Other Revenues	47,008	0	47,008
Total	<u>1,714,146</u>	<u>259,481</u>	<u>1,973,627</u>
Net Assets Released from Time Restrictions	<u>125,858</u>	<u>(125,858)</u>	<u>0</u>
Total Support and Revenue	1,840,004	26,623	1,875,627
Expenses			
Program Services			
Adult Habilitation	248,230	905	249,135
Vocational Rehabilitation	25,239	0	25,239
Supported Work Contracts	50,187	0	50,187
Supported/Independent Living	383,238	0	383,238
Community Homes:			0
Mildred Home	184,824	0	184,824
William Home	248,340	0	248,340
Respite	193,493	0	193,493
Personal Care Attendant	122,686	0	122,686
Early Intervention	147,186	0	147,186
Total Program Services	<u>1,423,099</u>	<u>915</u>	<u>1,424,014</u>
Supporting Services			
Management and General	<u>318,404</u>	<u>0</u>	<u>318,404</u>
Total Expenses	<u>1,741,503</u>	<u>915</u>	<u>1,742,418</u>
Excess of Revenue Over Expenses	112,481	25,696	141,185
Other Financing Sources (Uses)			
Operating Transfers In	55,112	0	55,112
Operating Transfers Out	<u>(55,112)</u>	<u>0</u>	<u>(55,112)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Increase in Net Assets Before Cumulative Effect of Change in Accounting Principle	112,481	25,696	141,185

(Continued)

ASSOCIATION FOR RETARDED CITIZENS/OUACHITA
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1996

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Increase in Net Assets Before Cumulative Effect of Change in Accounting Principle (Brought Forward)	115,689	25,076	140,765
Cumulative Effect on Prior Year of Change in Method of Accounting for Contributions (Note 2)	<u>0</u>	<u>60,758</u>	<u>60,758</u>
Total Increase in Net Assets	115,689	85,834	201,523
Net Assets at Beginning of Year	308,256	2,747	311,003
Other Changes in Net Assets			
Deposit on Equipment	(9,123)	9,123	0
Disposition of Fixed Assets	<u>(25,218)</u>	<u>0</u>	<u>(25,218)</u>
NET ASSETS AT END OF YEAR	<u>\$ 381,416</u>	<u>\$ 101,716</u>	<u>\$ 483,132</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION FOR RETARDED CITIZENS/CHARTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1998

	<u>Adult</u> <u>Residential</u>	<u>Vocational</u> <u>Residential</u>	<u>Supported</u> <u>Work</u> <u>Centers</u>	<u>Supported</u> <u>Independent</u> <u>Living</u>
Salaries	\$ 140,268	\$ 13,492	\$ 48,268	\$ 21,148
Payroll Taxes	13,823	1,088	0	18,227
Total Salaries and Related Expenses	154,091	14,580	48,268	39,375
Capital Expenditures	43	0	399	43
Print and Subscriptions	561	8	8	322
Fuel	800	8	8	1,587
Insurance	23,841	217	2,124	20,868
Interest	2,384	20	0	2,112
Licenses and Inspection	488	4	0	155
Maintenance	3,818	828	878	2,717
Medical	1,288	15	8	1,788
Miscellaneous	118	1	288	394
Office Supplies and Postage	2,141	32	8	1,274
Professional Fees	3,000	18	278	373
Public Awareness	1,398	14	0	1,850
Rent	3,271	12	0	812
Supplies	38	8	4,781	313
Telephone	1,878	17	828	1,354
Training	8,828	81	8	2,697
Transportation	11,888	48	8	2,823
Travel	2,888	83	8	7,788
Utilities	3,828	71	0	3,888
Fees on Disposition of Equipment	0	8	0	8
Total	284,877	15,118	68,792	76,288
Depreciation of Buildings and Equipment	4,828	22	388	1,842
Total Functional Expenses	289,705	15,140	69,180	78,130
Allocation of Costs of Office Overhead to Programs	43,000	426	0	43,000
NETAL PROGRAM AND SUPPORTING SERVICES EXPENSES	\$ 332,705	\$ 15,566	\$ 69,180	\$ 121,130

The accompanying notes are an integral part of this statement.

PROGRAM SERVICES

	Community Based		Personal Care	Early Intervention	Total	Supporting Services Management and Control	Total Expenses
	Multi-Site Home	With Home					
\$	92,184	\$ 129,179	\$ 77,585	\$ 94,838	\$ 710,177	\$ 170,411	\$ 1,081,642
	2,540	9,055	5,171	1,442	4,388	13,861	83,549
	94,724	138,234	82,756	106,280	714,565	184,272	1,165,191
	238	112	7	4	286	488	1,819
	498	229	121	260	2,792	721	3,213
	7,763	9,126	769	71	13,732	1,791	21,679
	10,669	12,656	9,132	1,567	8,572	22,383	118,044
	5,871	18,349	273	330	734	6,660	23,613
	577	1,014	169	170	126	2,641	76
	3,129	3,326	558	682	3,849	13,793	53,343
	2,583	3,149	634	713	566	10,508	221
	23	7	21	27	879	80	3,775
	590	1,071	473	1,067	3,287	12,276	21,485
	3,686	4,899	204	285	3,514	13,579	29,126
	586	716	623	644	2,111	11,297	18,666
	72	94	1,253	2,400	29,920	1,329	33,964
	478	114	8	2	0	3,981	624
	1,589	1,114	645	788	3,766	10,927	10,503
	30,996	30,901	179	275	4,207	3,826	86,883
	3,788	2,960	2	4	636	22,503	8
	869	3,734	3,746	4,977	1,034	25,263	3,623
	3,131	6,832	375	469	464	50,217	4,385
	8	0	8	0	0	798	798
	178,083	234,343	103,267	122,587	145,635	399,647	1,684,197
	6,000	12,897	228	278	1,832	10,797	38,346
	184,083	247,240	103,495	122,865	147,467	310,444	1,722,543
	21,210	38,231	21,283	27,862	28,341	(241,792)	0
\$	201,293	\$ 285,471	\$ 124,778	\$ 150,727	\$ 1,764,917	\$ 67,667	\$ 1,792,443

ASSOCIATION FOR RETIRED CITIZENS/OUACHITA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996

Cash Flows From Operating Activities	
Increase in Net Assets	\$ 204,830
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	38,248
Loss on asset retirements	766
Donated assets included in contributions	(4,292)
Decrease (increase) in accounts receivable	(58,267)
Decrease (increase) on other assets	4,816
Increase in accounts payable and accrued expenses	<u>19,791</u>
Net cash provided by operating activities	196,897
Cash Flows From Investing Activities	
Proceeds from sale of equipment	381
Purchases of equipment	<u>(7,402)</u>
Net cash provided (used) by investing activities	(7,021)
Cash Flows From Financing Activities	
Payments on notes payable	(25,153)
Payments on capital leases	<u>(1,292)</u>
Net cash used by financing activities	<u>(27,147)</u>
Net Increase in Cash	162,748
Cash at Beginning of Year	<u>140,153</u>
CASH AT END OF YEAR	\$ <u>302,401</u>
Supplemental Disclosure of Noncash Financing Activities	
Refinancing of Note Payable	\$ <u>198,158</u>

The accompanying notes are an integral part of this statement.

ASSOCIATION FOR RETARDED CITIZENS/DUACHITA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1995

Note 1 - Description of Organization

ARCO, A Community Resource, aka Association for Retarded Citizens/Duachita (the Association) was established in 1958 and received their tax exempt status as a 501(c)(3) organization in January, 1962, to promote the general welfare of all persons with developmental disabilities. Their programs are designed to assist and train clients to become independent citizens within the community. The principal programs consist of vocational training, residential living, temporary care of clients, and early intervention.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements have been prepared on an accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Guide for Not-For-Profit Organizations*.

As of July 1, 1995, the Association adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows. As permitted by this new statement, the Association has discontinued its use of fund reporting and has, accordingly, reclassified its financial statements to present two classes of net assets as the Association has no permanently restricted net assets. This reclassification had no effect on the change in net assets for the year ended June 30, 1995.

B. Contributions

The Association also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, effective July 1, 1995. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As permitted by SFAS No. 116, the Association has applied the provisions of this new statement by reflecting the cumulative effect of the change, amounting to \$63,758, in the statement of

**ASSOCIATION FOR RETIRED CITIZENS/GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1986**

A. Contributions (Continued)

activities. The adjustment represents 1985 United Way allocations previously unreported. Under SFAS No 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restrictions.

C. Donated Services

Members, agencies, business firms, volunteers and others contribute substantial services toward the fulfillment of projects initiated by the Association. No amounts have been recognized in the Statement of Activities because the criteria for recognition of such volunteer effort under SFAS No 116 have not been satisfied.

D. Land, Buildings and Equipment

Land, buildings and equipment are stated at cost. All donated capital assets are recorded at fair market value on the date of the donation. Depreciation is computed on a straight-line basis over the useful lives of the assets using the following estimated lives:

	<u>Years</u>
Buildings	15 - 25
Furniture and Equipment	3 - 10
Vehicles	5

E. Compensation Absences

The financial statements do not include any accrual for vacation or sick pay. The Association's policy is that vacation days are taken or compensated prior to year end. Sick days may be accumulated to a maximum of 15 days; however, employees are not paid for any unused sick days upon termination.

F. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996**

G. Programs

The Association's principal programs and primary funding sources are:

Adult Habilitation - The Adult Habilitation's income is derived from the Louisiana Department of Health and Hospitals and the United Way. These funds are used to train clients in vocational and pre-vocational activities and supportive services. Service fees charged Community Homes' clients for training in the amount of \$59,895 are included in charges for services.

Vocational Rehabilitation - Vocational Rehabilitation's income is derived from the Department of Social Services, Office of Louisiana Rehabilitation Services. This program provides vocational training support to clients placed in jobs within the community.

Supported Work Contracts - Supported Work Contract's income is derived from janitorial services by clients.

Supported/Independent Living - Supported Independent Living's income is derived from the Louisiana Department of Health and Hospitals, United Way and Ouachita Council of Governments. This program, similar to Community Homes, helps the individual clients become more independent by providing support and training in their residences within the community.

Community Homes - Community Homes' income is derived from the Louisiana Department of Health and Hospitals. Clients pay a pro-rata share of the costs based on their income. This program provides clients' with a home environment within the community and helps them become more independent citizens. Clients in Community Homes are trained in the Adult Habilitation Program. Included in the expense is \$59,895 for this service.

Respite - Respite's income is derived from the Louisiana Department of Health and Hospitals and United Way. This program provides temporary care within the client's own home.

Personal Care Attendant - Personal Care Attendant's income is derived from Louisiana Department of Health and United Way. This program provides support and training for individuals in satisfying their own personal needs.

Early Intervention - Early Intervention's income is derived from the Louisiana Department of Health and Hospitals, United Way, Department of Education and charges for therapeutic services (private insurance). This program provides training and therapeutic services to disabled infants, ages 0-3 years.

**ASSOCIATION FOR RETARDED CITIZENS/DEACHTHA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996**

II. Tax-Exempt Status

The Association is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. Contributions to the Association are tax deductible within the limitations prescribed by the Code.

A. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers demand deposits, time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

A. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 3 - Land, Building and Equipment

Land, Building and Equipment consisted of the following at June 30, 1996:

Buildings	\$ 185,971
Furniture and Equipment	70,662
Motor Vehicles	79,161
Land	58,438
Capital Lease Equipment	9,245
Less: Accumulated Depreciation	<u>(128,947)</u>

NET LAND, BUILDING AND EQUIPMENT	<u>\$ 375,528</u>
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One vehicle was acquired through a federal grant. The Association retains title to this vehicle as long as it is kept, maintained and used for the Association's designated purpose. This vehicle is not to be sold or disposed of during its useful life, 5 years or 100,000 miles, without the state's permission; therefore, this vehicle and its related accumulated depreciation is shown as temporarily restricted. This restriction will be included in 1998 at which time the asset will be transferred from temporarily restricted to unrestricted.

ASSOCIATION FOR RETARDED CITIZENS/DUQUINHA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996

Note 4 - Notes Payable

Notes Payable consisted of the following at June 30, 1996:

Midland Loan Services	\$ 65,600
Regions Bank	89,484
Hibernia National Bank	<u>153,813</u>
TOTAL	<u>\$ 308,897</u>

The mortgage due Midland Loan Services is an adjustable rate mortgage reviewed every three years, secured by real estate and maturing in March, 2014. The monthly installments are \$915, including interest at 6.375 percent.

The amount due Regions Bank is a balloon mortgage with interest at 9.00% and is secured by real estate. This mortgage is payable in 60 monthly installments of principal and interest in the amount of \$1,666 and a balloon payment of \$82,821 on March 28, 1997. Regions Bank has committed to renew the outstanding balance at March 28, 1997 with an interest rate and monthly installment no greater than the current amounts, therefore the total balance due has not been reflected as due in 1997 in the table below.

The mortgage due Hibernia National Bank is a balloon mortgage secured by real estate and an assignment of life insurance. Monthly payments of \$1,470, including interest at 8.50%, are due through December, 2000. A final payment of the balance due plus accrued interest is due January 6, 2001.

The aggregate principal payments of indebtedness maturing during the next five years are as follow: 1997 - \$28,288; 1998 - \$30,809; 1999 - \$33,326; 2000 - \$36,549; 2001 - \$48,852.

Note 5 - Capital Lease

The Association entered into a four year lease/purchase agreement with AT&T Credit Corporation for a telephone system. The monthly rental is \$387.

Following is a schedule of future minimum lease payments under the capital lease at June 30, 1996:

Future Minimum Lease Payments	\$ 1,896
Less: Amount Representing Interest	<u>1,277</u>
NET PRESENT VALUE OF	
FUTURE MINIMUM LEASE PAYMENTS	<u>\$ 619</u>

ASSOCIATION FOR RETARDED CITIZENS/QUACHTA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996

The annual payments under the capital lease obligation are expected to mature as follows: 1997 - \$1,265; and 1998 - \$356.

Note 6 - cafeteria Plan

In October 1996, the Association installed a cafeteria plan pursuant to Section 125 of the Internal Revenue Code. All full-time employees are eligible to participate in the plan with no cost to the Association.

Note 7 - Significant Concentrations of Credit Risk

The Association's cash and cash investments are on deposit with one federally insured financial institution. The bank balance of these funds totaled \$340,116, of which \$248,116 was not insured at June 30, 1996.

The Association's contracts are primarily with government agencies; therefore, a majority of its revenues and accounts receivable are derived from that source.

Note 8 - Fair Value of Financial Instruments

Cash and cash equivalents, receivables and accounts payable

The carrying amount approximates fair value due to the short maturity of the instruments.

Long-term debt

At June 30, 1996, the carrying amount of the Association's long-term debt approximates fair value, due to the relatively short maturity dates of the notes and/or the use of variable interest rates.

OTHER SUPPLEMENTARY DATA

ASSOCIATION FOR RETIRED CITIZENS/QUACHITA
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 1998

SCHEDULE I

	General Fund	Vocational Fund	Financial Rehabilita- tion	Supported Work Contracts	Supported/ Independent Living
ASSETS					
Cash	\$ 301,189	\$ 79	\$ 0	\$ 0	\$ 0
Accounts Receivable	3,107	45,611	363	3,169	49,211
Due From Other Funds	221,677	383,644	36,107	49,758	0
Fixed Assets	183,630	39,058	0	1,976	4,492
Accumulated Depreciation	(58,200)	(22,364)	0	(2,811)	(107)
Land	36,038	0	0	0	0
Prepaid Expenses	1,200	5,175	0	0	718
TOTAL ASSETS	\$ 682,631	\$ 268,587	\$ 16,880	\$ 44,813	\$ 53,804
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts Payable	\$ 8,507	\$ 4,304	\$ 0	\$ 879	\$ 6,064
Due to Other Funds	473,382	0	0	0	23,811
Payroll Taxes Payable	5,889	0	0	0	0
Accrued Payroll	23,883	0	0	0	0
Notes Payable	89,484	0	0	0	0
Capital Loans Payable	2,621	0	0	0	0
Total Liabilities	644,766	4,304	0	879	29,875
Net Assets					
Unrestricted	88,600	268,410	16,880	43,934	0
Temporarily Restricted	0	32,341	0	0	23,929
Total Net Assets	88,600	300,751	16,880	43,934	23,929
TOTAL LIABILITIES AND NET ASSETS	\$ 682,631	\$ 344,588	\$ 16,880	\$ 48,813	\$ 53,804

Community Home		Personal Care		Total	
Method	Willow	Receipts	Allocated	Interception	All Funds
Rate	Rate				
\$ 110	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 981,481
71,833	31,046	41,179	8,638	30,380	208,491
95,416	0	0	0	121,000	499,238
93,816	228,826	0	0	10,917	344,607
(58,771)	(56,704)	0	0	(11,244)	(126,719)
8,880	17,800	0	0	0	(64,430)
702	188	7	0	28	11,075
<u>\$ 31,028</u>	<u>\$ 384,026</u>	<u>\$ 41,186</u>	<u>\$ 8,638</u>	<u>\$ 178,903</u>	<u>\$ 1,483,191</u>
\$ 3,800	\$ 4,000	\$ 4,000	\$ 0	\$ 3,400	\$ 37,900
0	288,000	425	8,638	0	683,238
0	0	0	0	0	5,600
0	0	0	0	0	70,683
65,000	135,811	0	0	0	348,146
0	0	0	0	0	1,001
<u>68,800</u>	<u>348,811</u>	<u>4,425</u>	<u>8,638</u>	<u>3,400</u>	<u>1,106,100</u>
93,517	(139,000)	0	0	126,644	361,166
0	0	37,666	0	8,284	304,316
<u>93,517</u>	<u>(139,000)</u>	<u>37,666</u>	<u>0</u>	<u>134,928</u>	<u>665,482</u>
<u>\$ 31,028</u>	<u>\$ 384,026</u>	<u>\$ 41,186</u>	<u>\$ 8,638</u>	<u>\$ 178,903</u>	<u>\$ 1,483,191</u>

**ASSOCIATION FOR RETARDED CITIZENS/OKLAHOMA
COMBINED SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1996**

SCHEDULE 2

	<u>General Fund</u>	<u>Vocational Fund</u>	<u>Vocational Rehabilita- tion</u>	<u>Supportive Work Centers</u>	<u>Supported Independent Living</u>
UNRESTRUCTURED NET ASSETS					
Revenues					
Intergovernmental	\$ 0	\$ 368,841	\$ 15,179	\$ 0	\$ 302,080
Charges For Services	0	59,893	0	31,025	0
Contributions	36,020	0	0	0	0
Other Revenues	43,212	7	0	413	0
Total unrestricted revenues	<u>79,232</u>	<u>428,741</u>	<u>15,179</u>	<u>31,438</u>	<u>302,080</u>
Net assets released from time contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,650</u>
Total support	<u>79,232</u>	<u>428,741</u>	<u>15,179</u>	<u>31,438</u>	<u>322,730</u>
Expenses					
Capital Expenditures	0	126	1	206	160
Depreciation and Amortization	1,704	4,293	45	305	4,226
Fees and Subscriptions	499	379	0	0	349
Fuel	1,781	826	5	0	1,589
Printing Benefits	0	0	0	0	0
Insurance	2,399	10,880	346	2,314	16,000
Interest	0	0,070	28	0	3,229
Licenses and Impassments	27	468	4	0	288
Miscellaneous	12	1,029	113	378	6,626
Medical	23	1,289	13	0	1,136
Miscellaneous	0	124	1	208	414
Office Supplies and Postage	8,889	2,892	20	0	2,771
Payroll Taxes	2,662	14,888	1,829	0	21,799
Professional Fees	0	4,119	63	873	3,688
Public Awareness	11,270	1,888	14	0	1,383
Rent	180	1,470	10	0	704
Telephone	2,002	0	0	0	0
Salaries	52,210	181,841	13,600	48,568	266,546
Supplies	104	10	0	4,780	723
Telephone	(14)	1,810	19	629	1,470
Training	1,800	8,107	87	3	2,343
Transportation	0	11,889	66	0	2,813
Taxes	470	8,815	69	0	8,789
Utilities	0	2,806	28	0	5,821
Loss on Disposition of Equipment	766	0	0	0	0
Total Expenses	<u>81,662</u>	<u>293,826</u>	<u>13,665</u>	<u>62,187</u>	<u>366,231</u>
Excess (Deficiency) of Revenues Over Expenses	<u>0</u>	<u>134,915</u>	<u>2</u>	<u>1,451</u>	<u>(1,501)</u>

Community Homes		Personal Care		Total	
Multifamily	Withcare	Single	Skilled	Entry	All Funds
Units	Units			Subsidized	
\$ 241,655	\$ 266,943	\$ 226,192	\$ 109,284	\$ 117,283	\$ 1,981,909
7,852	34,198	0	791	8,084	122,216
0	125	1,112	0	648	32,914
172	0	1,249	0	1,272	47,000
<u>29,541</u>	<u>29,123</u>	<u>32,563</u>	<u>19,085</u>	<u>127,284</u>	<u>1,714,149</u>
0	0	21,000	0	41,587	122,887
<u>29,541</u>	<u>29,123</u>	<u>53,563</u>	<u>19,085</u>	<u>171,871</u>	<u>1,837,036</u>
265	581	31	42	262	1,819
6,897	12,296	2,082	1,212	2,299	28,298
468	574	140	171	406	3,813
7,378	9,228	783	51	144	11,670
0	0	0	0	0	0
12,289	11,022	11,280	9,731	32,202	228,086
3,476	19,918	821	771	3,211	21,619
529	1,022	273	277	125	1,717
6,281	6,911	1,629	2,884	2,286	22,411
1,597	3,248	634	771	266	16,770
32	21	38	47	887	3,775
909	1,644	1,289	1,226	2,243	22,483
8,819	11,442	7,170	8,718	2,681	83,340
2,876	8,329	2,296	2,862	2,420	42,699
828	779	328	448	2,104	18,883
142	149	1,741	2,570	26,897	22,864
0	0	0	0	0	2,202
<u>192,560</u>	<u>168,261</u>	<u>82,866</u>	<u>111,028</u>	<u>82,862</u>	<u>1,082,182</u>
478	714	0	5	0	6,555
1,288	1,263	742	608	3,838	11,253
16,288	22,987	499	400	2,112	86,382
2,780	2,260	0	4	654	21,573
1,170	2,791	4,683	4,928	1,419	22,296
4,528	2,825	718	911	918	24,122
0	0	0	0	0	266
<u>297,257</u>	<u>281,252</u>	<u>176,778</u>	<u>198,748</u>	<u>176,697</u>	<u>1,722,441</u>
43,088	9,001	34,279	(48,672)	(2,884)	118,772

(Continued)

**ASSOCIATION FOR RETARDED CITIZENS OF CHIA
COMBINED SCHEDULE OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1990**

SCHEDULE I

	<u>General Fund</u>	<u>Vocational Fund</u>	<u>Vocational Relief- Ration</u>	<u>Supportive Work Concepts</u>	<u>Supported Independent Living</u>
Other Financing Sources (Uses)					
Operating Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,650
Operating Transfers Out	<u>(9,892)</u>	<u>(18,891)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(9,892)</u>	<u>(18,891)</u>	<u>0</u>	<u>0</u>	<u>11,650</u>
Increase (Decrease) in Unrestricted Net Assets	162	62,792	14	1,491	0
Temporarily Restricted Net Assets					
United Way Allowance	0	0	0	0	48,794
Department of Transportation and Development Grant	0	21,281	0	0	0
Net assets released from restrictions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,664)</u>
Increase (Decrease) in Temporarily Restricted Net Assets before Cumulative Effect of Change in Accounting Principle	0	21,281	0	0	15,889
Cumulative effect on prior year of Change in method of accounting for Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,029</u>
Increase (Decrease) in Temporarily Restricted Net Assets	0	21,281	0	0	23,918
Total Increase (Decrease) in Net Assets	162	84,073	14	1,491	39,807
Net Assets at Beginning of Year	136,000	156,615	16,866	64,480	0
Other Changes in Net Assets					
Deposition of Fixed Assets	<u>(28,730)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS AT END OF YEAR	<u>\$ 107,270</u>	<u>\$ 240,688</u>	<u>\$ 16,880</u>	<u>\$ 65,971</u>	<u>\$ 39,807</u>

<u>Community Impact</u>				<u>Personal</u>		
<u>Midwest</u>	<u>Williams</u>			<u>Care</u>	<u>Early</u>	<u>Total</u>
<u>Name</u>	<u>Name</u>	<u>Receipts</u>		<u>Attributed</u>	<u>Intervention</u>	<u>All People</u>
\$ 0	\$ 0	\$ 1,899		\$ 40,687	\$ 1,800	\$ 56,112
0	0	(26,148)		0	0	(26,112)
0	0	(24,273)		40,687	1,800	0
45,888	9,821	0		0	(1,845)	34,573
0	0	72,993		0	26,909	106,194
0	0	0		0	0	20,287
0	0	(27,687)		0	(42,581)	(120,805)
0	0	18,734		0	(24,998)	26,412
0	0	(22,572)		0	19,281	67,790
0	0	31,666		0	8,284	90,762
45,888	9,821	37,666		0	2,438	284,958
50,449	(201,907)	0		0	129,490	389,008
0	0	0		0	0	(23,516)
\$ 79,271	\$ (179,086)	\$ 31,666		\$ 0	\$ (24,722)	\$ (62,412)

**SUPPLEMENTARY INFORMATION -
GRANT ACTIVITY**

ASSOCIATION FOR RETARDED CITIZENS/QUACHTA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996

Federal Grant/Pass-Through State/Program Title	C.F.R.A. Number	Federal Funds Amount	Federal Financial Assistance Current Year	
			Revenue Received	Expenditures
Flow-Through Programs				
Department of Education				
Office of Special Educational Services				
Early Intervention Program	84.181	\$ 3,129	\$ 3,129	\$ 3,129
Department of Health and Hospitals				
Office of Children with Developmental Disabilities				
Early Intervention Program	85A	31,217	3,283	3,281
Department of Transportation and Development				
Elderly and Persons with Developmental Disabilities Capital Assistance Program Vocational Program				
	20.600	<u>31,287</u>	<u>31,281</u>	<u>0</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 62,486</u>	<u>\$ 34,410</u>	<u>\$ 6,410</u>

See Notes to Schedule of Federal and State Financial Assistance

ASSOCIATION FOR RETARDED CITIZENS-QUACHITA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996

Center/Program/Program Title	Grant Assistance E.D. Number (FCR)(R#)	State Award Amount	State Financial Assistance	
			Current Year	
			Revenue Recognized	Expansiture
Levittown Department of Health and Hospitals				
Office of Mental Retardation/ Developmental Disabilities				
Early Intervention Program	000018	\$ 95,800	\$ 95,800	\$ 95,800
Office of Mental Retardation				
Supervised Independent Living	000009 NA	24,900 600	24,900 600	24,900 600
Office of Mental Retardation				
Adult Habilitation	000003	208,699	208,699	208,699
Office of Home Services				
People+	000016	67,811	67,812	67,811
		-		
TOTAL STATE ASSISTANCE		\$ 398,411	\$ 398,411	\$ 398,411

See Notes to Schedule of Federal and State Financial Assistance

ASSOCIATION FOR RETARDED CITIZENS/OKLAHOMA
NOTES TO SCHEDULES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1996

1. General

The Schedules of Federal and State Financial Assistance presents the activity of all federal and state financial assistance programs of the Association for Retarded Citizens/Oklahoma. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in the Schedule of Federal Financial Assistance.

2. Basis of Accounting

The Schedules of Federal and State Financial Assistance are presented using the accrual basis of accounting.

3. Relationship to Combining Schedules of Activities

Federal, state and local government financial assistance revenue and fees for service are included in intergovernmental revenue on the Statement of Activities. This revenue is further detailed on Schedule I. Intergovernmental revenue consists of the following:

	Federal Financial Assistance	State Financial Assistance	Local Government Assistance	Fees For Services	Total Inter- govern- mental Revenue
Adult Habitations	\$ 21,287	\$ 206,689	\$ 0	\$ 97,941	\$ 325,917
Midland Home	0	0	0	242,385	242,385
Williams Home	0	0	0	266,953	266,953
Respite	0	63,612	0	35,383	100,000
Supervised Apartments	0	15,712	9,094	287,265	312,061
Early Intervention	6,418	55,008	0	15,863	77,289
Vocational Rehabilitation	0	0	0	15,579	15,579
Personal Care Attendant	0	0	0	189,354	189,354
TOTALS	\$ 27,705	\$ 281,409	\$ 9,094	\$1,879,961	\$1,998,178

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of Association
for Retarded Citizens/Ouachita

We have audited the financial statements of Association for Retarded Citizens/Ouachita (a nonprofit organization - the Association) for the year ended June 30, 1996, and have issued our report thereon dated October 11, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance 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.

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, that transactions are executed in accordance with management's authorization and recorded properly in accord with the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

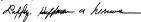
In planning and performing our audit of the financial statements of the Association for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The Board of Directors of Association for
Retarded Citizens/Councils

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Our consideration of the internal control structure would not necessarily classify all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors and management of the Association, its registered audit agency, other agencies granting funds to the Association and the Legislative Auditor for the state of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Monroe, Louisiana
October 11, 1994

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Association for Retarded Citizens/Ouachita

We have audited the financial statements of *Association for Retarded Citizens/Ouachita* (a nonprofit organization - the Association) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 11, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance 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.

Compliance with laws, regulations, contracts, and grants applicable to the Association is the responsibility of the Association's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Association's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the 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 non-compliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors and management of the Association, its cognizant audit agency, other agencies granting funds to the Association and the Legislative Auditor for the state of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Monroe, Louisiana
October 11, 1996