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**ASSOCIATION FOR RETARDED  
CITIZENS/OUACHITA**

**Financial Statements  
For the Year Ended June 30, 1999**

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 JAN 7 2 2000

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**

**JUNE 30, 1999**

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Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

**The Board of Directors  
The 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, 1999, 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, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide* published by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. 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, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 1999, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

**The Board of Directors of Association for  
Retarded Citizens/Ouachita  
Page 2**

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information included as "Other Supplementary Data" and "Supplementary Information – Grant Activity" 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.



(A Professional Accounting Corporation)

**December 29, 1999**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 184,759	\$ -	\$ 184,759
Investments	128,202	-	128,202
Accounts Receivable	225,655	81,240	306,895
Prepaid Expenses	1,852	-	1,852
Land, Building and Equipment	646,205	124,064	770,269
Accumulated Depreciation	<u>(289,116)</u>	<u>(31,319)</u>	<u>(320,435)</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>897,557</u></b>	<b>\$ <u>173,985</u></b>	<b>\$ <u>1,071,542</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 64,754	\$ -	\$ 64,754
Payroll Taxes Payable	4,188	-	4,188
Accrued Payroll	54,369	-	54,369
Notes Payable	<u>291,992</u>	<u>-</u>	<u>291,992</u>
Total Liabilities	415,303	-	415,303
<b>Net Assets</b>			
Unrestricted	482,254	-	482,254
Temporarily Restricted	<u>-</u>	<u>173,985</u>	<u>173,985</u>
Total Net Assets	<u>482,254</u>	<u>173,985</u>	<u>656,239</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>897,557</u></b>	<b>\$ <u>173,985</u></b>	<b>\$ <u>1,071,542</u></b>

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Intergovernmental	\$ 2,211,329	\$ 49,775	\$ 2,261,104
Charges for Services	280,346	-	280,346
United Way Allocation		161,882	161,882
Contributions	82,330	-	82,330
Membership Dues and Other	88,695	456	89,151
Interest Earnings	8,620	-	8,620
Total	<u>2,671,320</u>	<u>212,113</u>	<u>2,883,433</u>
Net Assets Released from Time Restrictions	<u>165,108</u>	<u>(165,108)</u>	<u>-</u>
Total Support and Revenue	2,836,428	47,005	2,883,433
<b>Expenses</b>			
Program Services			
Adult Habilitation	436,365	-	436,365
Vocational Rehabilitation	16,498	-	16,498
Supported Work Contracts	89,474	-	89,474
Supported/Independent Living	653,572	-	653,572
Community Homes:			
Mallard Home	210,944	-	210,944
Williams Home	388,153	-	388,153
Respite	250,233	-	250,233
Personal Care Attendant	70,580	-	70,580
Early Intervention	233,886	-	233,886
Total Program Services	<u>2,349,705</u>	<u>-</u>	<u>2,349,705</u>
Supporting Services			
Management and General	393,721	-	393,721
Fund Raising	43,358	-	43,358
Total Supporting Services	<u>437,079</u>	<u>-</u>	<u>437,079</u>
Total Expenses	<u>2,786,784</u>	<u>-</u>	<u>2,786,784</u>
<b>Increase in Net Assets</b>	49,644	47,005	96,649
<b>Net Assets at Beginning of Year</b>	<u>432,610</u>	<u>126,980</u>	<u>559,590</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 482,254</u>	<u>\$ 173,985</u>	<u>\$ 656,239</u>

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

**PROGRAM**

	<b>PROGRAM</b>					
	<u>Adult Habilitation</u>	<u>Vocational Rehabil- itation</u>	<u>Supported Work Contracts</u>	<u>Supported/ Independent Living</u>	<u>Community Homes Mallard Home</u>	<u>Williams Home</u>
Salaries	\$ 305,419	\$ 13,312	\$ 84,991	\$ 518,055	\$ 100,954	\$ 195,161
Payroll Taxes	22,946	872	30	39,007	7,516	15,052
Pension	4,482	399	-	3,811	260	2,021
Total Salaries and Related Expenses	332,847	14,583	85,021	560,873	108,730	212,234
Dues and Subscriptions	1,835	-	-	1,248	657	808
Food	807	-	-	1,721	7,142	9,543
Insurance	25,351	-	1,342	20,623	9,936	11,635
Interest	1,276	-	-	1,464	6,580	13,211
Licenses and Inspections	690	-	-	1,698	854	1,904
Maintenance	7,219	-	2,847	6,568	6,865	10,521
Medical	2,530	-	-	5,026	6,925	6,804
Miscellaneous	363	-	11	2,776	114	458
Office Supplies and Postage	2,446	915	-	3,904	1,622	2,133
Professional Fees	1,123	-	-	1,297	4,739	5,774
Public Awareness	6,759	-	-	4,260	757	3,556
Rent	5,038	-	-	1,149	145	354
Supplies	355	-	-	1,574	833	2,099
Telephone	3,584	-	172	1,515	1,050	806
Training	6,930	-	-	6,549	36,717	84,406
Transportation	8,994	-	-	3,658	1,719	2,892
Travel	6,459	1,000	-	21,717	3,250	4,439
Utilities	3,795	-	-	3,978	4,508	7,596
Total	418,401	16,498	89,393	651,598	203,143	381,173
Depreciation of Buildings and Equipment	17,964	-	81	1,974	7,801	6,980
Total Functional Expenses	436,365	16,498	89,474	653,572	210,944	388,153
Allocation of Central Office Overhead to Programs	68,897	-	-	99,620	29,106	55,792
<b>TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES</b>	<b>\$ 505,262</b>	<b>\$ 16,498</b>	<b>\$ 89,474</b>	<b>\$ 753,192</b>	<b>\$ 240,050</b>	<b>\$ 443,945</b>

The accompanying notes are an integral part of this statement.

SERVICES				SUPPORTING SERVICES			
Respite	Personal Care Attendant	Early Intervention	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Expenses
\$ 196,437	\$ 55,405	\$ 88,275	\$ 1,558,009	\$ 240,015	\$ 17,269	\$ 257,284	\$ 1,815,293
14,812	4,178	6,572	110,985	17,282	1,422	18,704	129,689
1,129	318	1,180	13,600	4,983	265	5,248	18,848
212,378	59,901	96,027	1,682,594	262,280	18,956	281,236	1,963,830
414	117	1,111	6,190	642	148	790	6,980
262	74	275	19,824	2,569	2,632	5,201	25,025
12,037	3,395	4,020	88,339	21,223	559	21,782	110,121
116	33	72	22,752	2,563	104	2,667	25,419
641	181	199	6,167	172		172	6,339
1,372	387	6,134	41,913	18,394	1,062	19,456	61,369
2,554	841	397	25,077	210		210	25,287
67	21	1,256	5,066	2,336	69	2,405	7,471
2,088	589	2,501	16,198	10,930	10,001	20,931	37,129
837	115	80,603	94,488	23,322	451	23,773	118,261
3,151	889	1,745	21,117	5,842	6,069	11,911	33,028
2,788	786	24,321	34,581	5,767	495	6,262	40,843
-	-	450	5,311	2,395	67	2,462	7,773
1,293	365	4,530	13,315	3,122	65	3,187	16,502
3,032	855	2,582	141,071	6,150	558	6,708	147,779
-	-	1,431	18,694	-	-	-	18,694
6,731	1,898	5,224	50,718	4,163	1,224	5,387	56,105
315	89	205	20,486	5,704	282	5,986	26,472
250,076	70,536	233,083	2,313,901	377,784	42,742	420,526	2,734,427
157	44	803	35,804	15,937	616	16,553	52,357
250,233	70,580	233,886	2,349,705	393,721	43,358	437,079	2,786,784
31,225	8,804	19,347	312,791	(312,791)	-	(312,791)	-
\$ 281,458	\$ 79,384	\$ 253,233	\$ 2,662,496	\$ 80,930	\$ 43,358	\$ 124,288	\$ 2,786,784



**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999**

<b>Cash Flows From Operating Activities</b>	
Increase in Net Assets	\$ 96,649
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	52,357
UMTA Federal Grant	(49,775)
Gain on asset retirements	(1,198)
Changes in assets and liabilities	
Accounts receivable	(45,427)
Other assets	109
Accounts payable and accrued expenses	46,023
Net cash provided by operating activities	<u>98,738</u>
 <b>Cash Flows From Investing Activities</b>	
Proceeds from sale of equipment	1,198
Purchase of equipment	(30,626)
Interest on Investments	7,437
Net cash used by investing activities	<u>(21,991)</u>
 <b>Cash Flows From Financing Activities</b>	
Payments on notes payable	<u>(27,912)</u>
Net cash used by financing activities	<u>(27,912)</u>
 <b>Net Increase in Cash</b>	48,835
 <b>Cash at Beginning of Year</b>	<u>135,924</u>
 <b>CASH AT END OF YEAR</b>	<u><u>\$ 184,759</u></u>
 <b>Supplemental Disclosure of Noncash Investing Activities</b>	
Capitalization of UMTA van	<u><u>\$ 60,131</u></u>

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

**Note 1 - Description of Organization**

The Association for Retarded Citizens/Ouachita (the Association) dba ARCO was established in 1954 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 *Audit Guide for Not-For-Profit Organizations*.

The financial statements of the Association are presented as recommended by the Financial Accounting Standards Board in 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. At June 30, 1999, the Association had no permanently restricted net assets.

*B. Contributions*

The Association has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. 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. At June 30, 1999 the Association had a receivable of \$80,941 representing United Way contributions awarded during fiscal year ending June 30, 1999 that will be received during the calendar year 2000. 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.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

*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 - 30
Furniture and Equipment	3 - 10
Vehicles	5

*E. Compensated 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.

*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 prevocational activities and supportive services. Service fees charged Community Homes' clients for training in the amount of \$116,222 are included in charges for services.

**Vocational Rehabilitation** - Vocational Rehabilitation's income is derived from the Department of Social Services, Office of Louisiana Rehabilitative 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.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

Supported/Independent Living - Supported Independent Living's income is derived from the Louisiana Department of Health and Hospitals, United Way, Community Development Block Grant 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 \$116,222 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, Children's Trust Grant, Department of Education and charges for therapeutic services (private insurance). This program provides training and therapeutic services to disabled infants, ages 0-3 years.

*H. 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.

*I. 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.

*J. Accounting Estimates*

The preparation of financial statements in conformity with generally accepted

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

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 those estimates.

**Note 3 - Land, Building and Equipment**

Land, Building and Equipment consisted of the following at June 30, 1999:

Buildings	\$ 398,012
Furniture and Equipment	122,133
Vehicles	182,443
Land	58,438
Capital Lease Equipment	9,243
Less: Accumulated Depreciation	<u>(320,435)</u>
 NET LAND, BUILDING AND EQUIPMENT	  \$ <u>449,834</u>

Included in vehicles above are four vehicles valued at \$124,064 acquired through Federal grants in previous years as well as in the current year . The Association retains title to these vehicles as long as they are kept, maintained and used for the Association's designated purpose. These vehicles are not to be sold or disposed of during their useful lives, 5 years or 100,000 miles, without the state's permission; therefore, these vehicles and related accumulated depreciation are shown as temporarily restricted. The restriction will be rescinded from one vehicle in 2000, one in 2002 and the remaining two in 2003, at which time the assets will be transferred from temporarily restricted to unrestricted.

**Note 4 - Notes Payable**

Notes payable consisted of the following at June 30, 1999:

Midland Loan Services	\$ 60,132
Regions Bank	67,191
GMAC	16,106
Hibernia National Bank	148,563
TOTAL	<u>\$ 291,992</u>

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

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 \$515, including interest at 6.375 percent.

The amount due Regions Bank is a mortgage with interest at 7.75% and is secured by real estate. This mortgage is payable in 120 monthly installments of principal and interest in the amount of \$961 through February, 2007.

The amount due GMAC is a mortgage with interest at 4.90% and is secured by a vehicle. This mortgage is payable in 48 monthly installments of principal and interest in the amount of \$525.80 through February, 2002.

The mortgage due Hibernia National Bank is a balloon mortgage secured by real estate and an assignment of life insurance. Monthly payments of \$2,470, 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: 2000 - \$32,282; 2001 - \$144,965; 2002 - \$14,858; 2003 - \$11,197; 2004 - \$12,097; and thereafter - \$76,593.

A letter of credit in the amount of \$7,000 was issued by Hibernia National Bank on behalf of the Association in favor of the State of Louisiana, Department of Transportation and Development for a 2000 UMTA van.

**Note 5 - Cafeteria Plan**

In October 1986, 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 6 - Disclosures About Concentrations**

The Association's cash and cash investments are on deposit with several Federally insured financial institutions. The bank balance of these funds totaled \$332,767, of which \$56,118 was not insured at June 30, 1999.

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

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999**

**Note 7 - Operating Leases**

Total rent expense for the year was \$40,841. The Association has several lease commitments. However, these leases are either on a month-to-month basis or contain "funding-out" clauses which allow the agreements to be cancelled.

**Note 8 - Commitments and Contingencies**

The Association receives the majority of its revenue in the form of grants from various Federal and State agencies. These grants are subject to review by the grantor agencies which could result in disallowed costs. Management of the Association believes that any adjustments which may be required as a result of such reviews would not have a material effect of the Association's financial statements.

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 99 versus 1999. These systems will potentially recognize the "00" as the year 1900 instead of 2000. On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

The Association has conducted a study of its own systems and operations and has initiated steps to take necessary and reasonable measures to provide for mission critical systems and operations to be Y2K compliant in a timely manner. This project includes confirming the Y2K preparedness of significant third parties. The total costs of the Y2K efforts are not expected to be material to the overall financial position of the Association and will be funded from operations.

The assessment of risk to the Association, the level of the compliance effort, the timetable for compliance and cost of bringing systems to compliance are management's estimates. The estimates were based on numerous assumptions as to future events. There can be no guarantee that these estimates will prove accurate or that significant third parties will successfully and timely complete their Y2K remediation efforts; therefore, actual results could be different from those estimated.

**OTHER SUPPLEMENTARY DATA**



**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
COMBINING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 1999**

**SCHEDULE 1**

	<b>General Fund</b>	<b>Vocational Fund</b>	<b>Vocational Rehabil- itation</b>	<b>Supported Work Contracts</b>	<b>Supported/ Independent Living</b>
<b>ASSETS</b>					
Cash	\$ 183,504	\$ 75	\$ -	\$ -	\$ -
Investments	128,202	-	-	-	-
Accounts Receivable	10,582	16,694	1,995	6,407	76,689
Due From Other Funds	-	197,821	14,885	21,897	-
Fixed Assets	267,204	126,550	-	1,976	8,189
Accumulated Depreciation	(123,107)	(32,466)	-	(1,972)	(8,189)
Land	-	-	-	-	-
Prepaid Expenses	1,838	14	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 468,223</b>	<b>\$ 308,688</b>	<b>\$ 16,880</b>	<b>\$ 28,308</b>	<b>\$ 76,689</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 29,623	\$ 3,809	\$ -	\$ 343	\$ 4,660
Due to Other Funds	235,527	-	-	-	75,403
Payroll Taxes Payable	4,188	-	-	-	-
Accrued Payroll	54,369	-	-	-	-
Notes Payable	67,142	-	-	-	-
<b>Total Liabilities</b>	<b>390,849</b>	<b>3,809</b>	<b>-</b>	<b>343</b>	<b>80,063</b>
<b>Net Assets</b>					
Unrestricted	77,374	212,134	16,880	27,965	(3,374)
Temporarily Restricted	-	92,745	-	-	-
<b>Total Net Assets</b>	<b>77,374</b>	<b>304,879</b>	<b>16,880</b>	<b>27,965</b>	<b>(3,374)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 468,223</b>	<b>\$ 308,688</b>	<b>\$ 16,880</b>	<b>\$ 28,308</b>	<b>\$ 76,689</b>

<u>Community Homes</u>		<u>Respite</u>	<u>Personal Care Attendant</u>	<u>Early Intervention</u>	<u>Total All Funds</u>
<u>Mallard Home</u>	<u>Williams Home</u>				
\$ 120	\$ 1,060	\$ -	\$ -	\$ -	\$ 184,759
-	-	-	-	-	128,202
31,818	35,713	63,935	1,749	61,313	306,895
157,010	-	-	65,812	157,326	614,751
118,630	202,929	-	-	22,991	748,469
(73,812)	(68,089)	-	-	(12,800)	(320,435)
8,000	13,800	-	-	-	21,800
-	-	-	-	-	1,852
<u>\$ 241,766</u>	<u>\$ 185,413</u>	<u>\$ 63,935</u>	<u>\$ 67,561</u>	<u>\$ 228,830</u>	<u>\$ 1,686,293</u>
\$ 4,950	\$ 7,817	\$ 3,792	\$ -	\$ 9,760	\$ 64,754
-	288,042	15,779	-	-	614,751
-	-	-	-	-	4,188
-	-	-	-	-	54,369
<u>76,237</u>	<u>148,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,992</u>
81,187	444,472	19,571	-	9,760	1,030,054
160,579	(259,059)	3,744	67,561	178,450	482,254
-	-	40,620	-	40,620	173,985
<u>160,579</u>	<u>(259,059)</u>	<u>44,364</u>	<u>67,561</u>	<u>219,070</u>	<u>656,239</u>
<u>\$ 241,766</u>	<u>\$ 185,413</u>	<u>\$ 63,935</u>	<u>\$ 67,561</u>	<u>\$ 228,830</u>	<u>\$ 1,686,293</u>

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999**

**SCHEDULE 2**

	<u>General Fund</u>	<u>Vocational Fund</u>	<u>Vocational Rehabil- itation</u>	<u>Supportive Work Contracts</u>	<u>Supported/ Independent Living</u>
<b>Support and Revenue</b>					
Intergovernmental	\$ -	\$ 420,536	\$ 16,498	\$ -	\$ 733,160
Charges For Services	1,501	116,222	-	69,811	18,248
Contributions	82,310	20	-	-	-
United Way Allocation	-	-	-	-	-
Other Revenues	<u>93,897</u>	<u>554</u>	<u>-</u>	<u>3,220</u>	<u>-</u>
<b>Total support and revenue</b>	<b>177,708</b>	<b>537,332</b>	<b>16,498</b>	<b>73,031</b>	<b>751,408</b>
<b>Expenses</b>					
Depreciation and Amortization	3,753	21,170	-	81	5,863
Dues and Subscriptions	651	1,863	-	-	1,295
Food	4,589	940	-	-	1,914
Insurance	3,755	29,261	-	1,342	26,386
Interest	758	1,699	-	-	2,074
Licenses and Inspections	15	715	-	-	1,753
Maintenance	3,362	10,715	-	2,847	11,780
Medical	37	2,567	-	-	5,082
Miscellaneous	1,644	368	-	11	2,781
Office Supplies and Postage	15,366	3,714	915	-	5,606
Payroll Taxes	4,882	25,983	872	30	43,392
Pension	1,150	5,374	399	-	5,117
Professional Fees	1,016	6,115	-	-	8,759
Public Awareness	10,662	7,030	-	-	4,677
Rent	1,111	6,152	-	-	2,781
Salaries	63,551	347,925	13,312	84,991	579,585
Supplies	940	854	-	-	2,324
Telephone	1,669	3,914	-	172	2,005
Training	2,626	7,802	-	-	7,865
Transportation	-	8,994	-	-	3,658
Travel	1,535	7,270	1,000	-	23,019
Utilities	<u>1,216</u>	<u>4,837</u>	<u>-</u>	<u>-</u>	<u>5,476</u>
<b>Total Expenses</b>	<b>124,288</b>	<b>505,262</b>	<b>16,498</b>	<b>89,474</b>	<b>753,192</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>53,420</b>	<b>32,070</b>	<b>-</b>	<b>(16,443)</b>	<b>(1,784)</b>

<u>Community Homes</u>		<u>Respite</u>	<u>Personal Care Attendant</u>	<u>Early Intervention</u>	<u>Total All Funds</u>
<u>Mallard Home</u>	<u>Williams Home</u>				
\$ 215,058	\$ 358,529	\$ 223,613	\$ 67,562	\$ 226,148	\$ 2,261,104
24,719	35,032	14,813	-	-	280,346
-	-	-	-	-	82,330
-	-	80,941	-	80,941	161,882
-	-	-	-	100	97,771
<u>239,777</u>	<u>393,561</u>	<u>319,367</u>	<u>67,562</u>	<u>307,189</u>	<u>2,883,433</u>
8,947	9,160	1,391	392	1,600	52,357
670	832	428	121	1,120	6,980
7,202	9,652	321	90	317	25,025
11,607	14,843	13,852	3,907	5,168	110,121
6,764	13,551	295	88	190	25,419
869	1,935	658	186	208	6,339
8,401	13,377	2,965	836	7,086	61,369
6,941	6,836	2,573	846	405	25,287
118	1,188	84	20	1,257	7,471
2,151	3,089	2,643	746	2,899	37,129
8,801	17,514	16,201	4,570	7,444	129,689
639	2,751	1,536	433	1,449	18,848
6,891	10,021	3,076	747	81,636	118,261
861	3,779	3,270	923	1,826	33,028
621	1,290	3,293	928	24,667	40,843
118,956	229,700	215,856	60,882	100,535	1,815,293
1,031	1,742	222	62	598	7,773
1,189	1,075	1,448	406	4,624	16,502
37,105	85,163	3,445	971	2,802	147,779
1,719	2,892	-	-	1,431	18,694
3,612	5,104	7,102	2,004	5,459	56,105
4,955	8,451	799	226	512	26,472
<u>240,050</u>	<u>443,945</u>	<u>281,458</u>	<u>79,384</u>	<u>253,233</u>	<u>2,786,784</u>
(273)	(50,384)	37,909	(11,822)	53,956	96,649

(Continued)

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
COMBINING SCHEDULE OF ACTIVITIES (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 1999**

**SCHEDULE 2**

	<u>General Fund</u>	<u>Vocational Fund</u>	<u>Vocational Rehabil- itation</u>	<u>Supportive Work Contracts</u>	<u>Supported/ Independent Living</u>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 400
Operating Transfers Out	<u>(75,407)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(75,407)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
<b>Increase (Decrease) in Net Assets</b>	(21,987)	32,070	-	(16,443)	(1,384)
<b>Net Assets at Beginning of Year</b>	<u>99,361</u>	<u>272,809</u>	<u>16,880</u>	<u>44,408</u>	<u>(1,990)</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 77,374</u>	<u>\$ 304,879</u>	<u>\$ 16,880</u>	<u>\$ 27,965</u>	<u>\$ (3,374)</u>

<u>Community Homes</u>			<u>Personal</u>		
<u>Mallard</u>	<u>Williams</u>		<u>Care</u>	<u>Early</u>	<u>Total</u>
<u>Home</u>	<u>Home</u>	<u>Respite</u>	<u>Attendant</u>	<u>Intervention</u>	<u>All Funds</u>
\$ -	\$ 102	\$ -	\$ 79,383	\$ 37,497	\$ 117,382
-	-	(41,975)	-	-	(117,382)
-	102	(41,975)	79,383	37,497	-
(273)	(50,282)	(4,066)	67,561	91,453	96,649
<u>160,852</u>	<u>(208,777)</u>	<u>48,430</u>	<u>-</u>	<u>127,617</u>	<u>559,590</u>
<u>\$ 160,579</u>	<u>\$ (259,059)</u>	<u>\$ 44,364</u>	<u>\$ 67,561</u>	<u>\$ 219,070</u>	<u>\$ 656,239</u>

**SUPPLEMENTARY INFORMATION -  
GRANT ACTIVITY**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>C.F.D.A. Number</u>	<u>Federal Award Amount</u>	<u>Expenditures</u>
<b>Flow-Through Programs</b>			
Department of Transportation Office of Urban Mass Transit Adult Habilitation	20.500	\$ 49,775	\$ 49,775
Department of Education Office of Special Educational Services Early Intervention Program	84.181	88,787	87,748
Housing and Urban Development City of Monroe Supported Independent Living	14.218	<u>13,953</u>	<u>13,953</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 152,515</u>	<u>\$ 151,476</u>

See Notes to Schedule of Expenditures of Federal and State Awards



**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999**

<u>Grantor Program/Program Title</u>	<u>Grant Assistance I.D. Number (OCDD#)</u>	<u>State Award Amount</u>	<u>Expenditures</u>
<b>Louisiana Department of Health and Hospitals</b>			
Office for Citizens With Developmental Disabilities:			
Early Intervention Program	000161	\$ 95,000	\$ 95,000
Adult Habilitation Program	000110	246,300	246,300
Respite Care Services	000197	67,812	50,110
Supervised Independent Living	000280	2,000	2,000
Supervised Independent Living	000278	24,922	24,922
<b>Louisiana Department of Social Services</b>			
Office of Community Services			
Early Intervention Program			
Children's Trust Grant	N/A	<u>15,000</u>	<u>14,754</u>
<b>TOTAL STATE AWARDS</b>		<u>\$ 451,034</u>	<u>\$ 433,086</u>

See Notes to Schedule of Expenditures of Federal and State Awards

**ASSOCIATION FOR RETARDED CITIZENS/ OUACHITA**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

*1. General*

The Schedules of Expenditures of Federal and State Awards presents the activity of all Federal and state awards programs of the **Association for Retarded Citizens/Ouachita**. All Federal awards received directly from Federal agencies, as well as Federal awards passed through other government agencies, are included in the Schedule of Federal Awards.

*2. Basis of Accounting*

The Schedules of Federal and State Awards are presented using the accrual basis of accounting which is more fully described in Note 2 to the Association's financial statements.

*3. Relationship to Combining Schedules of Activities*

Federal, state and local government awards revenue and fees for service are included in intergovernmental revenue on the Statement of Activities. This revenue is further detailed on Schedule 2. Intergovernmental revenue consists of the following:

	Federal Awards	State Awards	Local Government Assistance	Fees For Services	Total Inter- govern- mental Revenue
Adult Habilitation	\$ 49,775	\$ 246,300	\$ 0	\$ 124,461	\$ 420,536
Mallard Home	0	0	0	215,058	215,058
Williams Home	0	0	0	358,529	358,529
Respite	0	50,110	0	173,503	223,613
Supervised Apartments	13,953	36,290	9,094	673,823	733,160
Early Intervention	87,748	109,754	0	28,646	226,148
Vocational Rehabilitation	0	0	0	16,498	16,498
Personal Care Attendant	0	0	0	67,562	67,562
<b>TOTALS</b>	<b>\$ 151,476</b>	<b>\$ 442,454</b>	<b>\$ 9,094</b>	<b>\$ 1,658,080</b>	<b>\$ 2,261,104</b>



(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

Luffey  
Huffman  
& Monroe

John L. Luffey, MBA, CPA  
Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Alleberry, CPA  
Carolyn A. Clarke, CPA

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

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

We have audited the financial statements of **Association for Retarded Citizens/Ouachita** (the Association) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 29, 1999. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

**Compliance**

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their

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

assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management of the Association, awarding agencies and pass-through entities, other entities granting funds to the Association and the Legislative Auditor for the state of Louisiana and is not intended to be used and should not be used by anyone other than these specified parties.



(A Professional Accounting Corporation)

**December 29, 1999**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
MONROE, LOUISIANA  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999**

In connection with our audit of the Association of Retarded Citizens/Ouachita (the Association) as of and for the year ended June 30, 1999, in accordance with *Government Auditing Standards* we have also reviewed the status of prior year findings included in our report on compliance and internal control over financial reporting dated December 23, 1998 on the Association's financial statements as of and for the year ended June 30, 1998. The following table presents the status of those findings:

<u>Prior Year Finding</u>	<u>Current Year Status</u>
98-01 Accounts Receivable Reconciliation To General Ledger	Corrective Action Taken
98-02 Reconciliation of Operating and Payroll Cash Bank Accounts	Corrective Action Taken