

RECEIVED
04 DEC 17 AM

**ASSOCIATION FOR RETARDED CITIZENS--
IBERVILLE, INC.
PLAQUEMINE, LOUISIANA
ANNUAL FINANCIAL REPORT**

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 12-29-04

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
TABLE OF CONTENTS
JUNE 30, 2004

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2
FINANCIAL STATEMENTS	3
Statement of Financial Position	4
Statement of Activities	5-6
Statement of Cash Flows	7
Notes to Financial Statements	8-10
SUPPLEMENTARY INFORMATION	11
Schedule 1: Insurance in Force (Unaudited)	12
Schedule 2: Summary of Findings and Questioned Costs	13

HFB

HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Association for Retarded Citizens--Iberville, Inc.

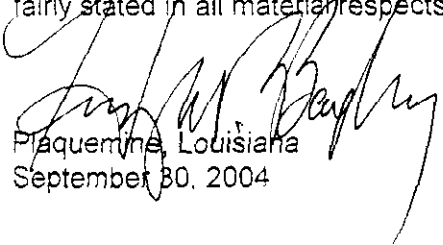
We have audited the accompanying statement of financial position of the Association for Retarded Citizens--Iberville, Inc. (a non-profit organization) as of June 30, 2004, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 for Retarded Citizens--Iberville, Inc. as of June 30, 2004, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2004, on our consideration of the Association for Retarded Citizens--Iberville, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the Schedule of Insurance in Force marked "unaudited", on which we express no opinion, 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.



Plaquemine, Louisiana
September 30, 2004



HUGH F. BAXLEY, CPA
A Professional Accounting Corporation

Hugh F. Baxley, CPA/PFS/CVA
Margaret A. Pritchard, 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**

Board of Directors
Association for Retarded Citizens--Iberville, Inc.

We have audited the financial statements of the Association for Retarded Citizens--Iberville, Inc. (a non-profit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated September 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

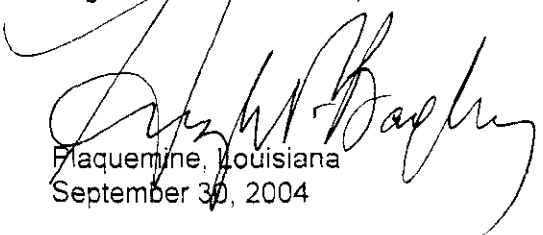
Compliance

As part of obtaining reasonable assurance about whether Association for Retarded Citizens--Iberville, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 Association for Retarded Citizens--Iberville, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 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 solely for the information and use of the audit committee, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Plaquemine, Louisiana
September 30, 2004

FINANCIAL STATEMENTS

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

ASSETS

Current Assets

Cash	\$ 594,961
Accounts receivable--Employees	790
Accounts receivable--Contracts	122,054
Interest receivable	331
Prepaid insurance	<u>12,450</u>

Total Current Assets **730,586**

Property and Equipment

Vehicles	133,355
Workshop tools	9,619
Furniture and fixtures	<u>32,811</u>
	175,785
Less accumulated depreciation	<u>(124,995)</u>

Total Property and Equipment **50,790**

Other Assets

Utility deposit	<u>25</u>
-----------------	-----------

TOTAL ASSETS **\$ 781,401**

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 7,129
Payroll taxes withheld and accrued	<u>15,037</u>

Total Current Liabilities **22,166**

Net Assets:

Unrestricted	<u>759,235</u>
--------------	----------------

Total Net Assets **759,235**

TOTAL LIABILITIES AND NET ASSETS **\$ 781,401**

The accompanying notes are an integral part of this statement

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Total</u>	<u>Adult Day Care</u>	<u>Supervised Living / Individual & Family Living</u>
REVENUE			
Social (Adult Habilitation Services)	\$ 181,557	\$ 181,557	-
Iberville Parish Council	19,968	19,968	-
Community Network, Inc.	187,679	187,679	-
Office of Community Services, Div. of Rehabilitation Services	10,329	10,329	-
Capital Area United Way Allocation	41,107	41,107	-
Structured Work Program	68,558	68,558	-
Contributions	635	635	-
Interest	4,351	4,351	-
Dues	195	195	-
Recycling	177	177	-
Miscellaneous	1,381	1,381	-
Medicaid	979,024	95,801	883,223
TOTAL REVENUE	1,494,961	611,738	883,223
EXPENSES			
Salaries	1,021,629	503,292	518,337
Payroll taxes	92,683	43,486	49,197
Repairs and maintenance	7,455	7,455	-
Professional fees	6,790	4,753	2,037
Supplies	70,774	69,163	1,611
Telephone	6,074	4,252	1,822
Postage	890	623	267

(Continued)

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	Total	Adult Day Care	Supervised Living/ Individual & Family Support
EXPENSES			
Client flatware	1,125	1,125	-
Travel	42,643	34,114	8,529
Dues	2,115	2,115	-
Miscellaneous	630	504	126
Depreciation	19,122	19,122	-
Utilities	10,773	10,773	-
Convention meetings	5,335	4,268	1,067
Licenses	751	-	751
Insurance	114,403	83,955	30,448
Cleaning	5,967	5,967	-
Training and workshops	4,672	1,168	3,504
Client assistance	17,232	17,232	-
Medical	366	-	366
TOTAL EXPENSES	1,431,429	813,367	618,062
CHANGE IN NET ASSETS	63,532	(201,629)	265,161
NET ASSETS, BEGINNING	695,703	(326,657)	1,022,360
NET ASSETS, ENDING	\$ 759,235	\$ (528,286)	\$ 1,287,521

(Concluded)

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 63,532
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	19,122
Decrease in accounts receivable	24,261
(Increase) in prepaid insurance and expense	(11,264)
Increase in payroll taxes withheld	2,706
Increase in accounts payable	<u>6,572</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>104,929</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	<u>(20,450)</u>
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(20,450)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,479
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>510,482</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 594,961</u>

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Association is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Association has presented its financial statements as a separate special-purpose entity.

Basis of accounting

The financial statements are prepared on the accrual basis wherein revenues are recognized when earned and expenses are recognized when incurred.

Property and equipment and depreciation

Property and equipment is stated at cost, unless donated. Donated property and equipment is stated at fair market value as of the date of the gift. Depreciation is charged to operations using the straight-line method at various rates calculated to extinguish the book value of items over their useful lives.

Income taxes

The Association is a nonprofit organization and has been granted tax exempt status under Section 501(c) (3) of the Internal Revenue Code.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Organization 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 Organization is required to present a statement of cash flows. As permitted by the Statement, the Organization has discontinued its use of fund accounting.

Contributions

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association for Retarded Citizens--Iberville, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

Use of 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 those estimates.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment is scheduled as follows:

	<u>BALANCE 6/30/2003</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 6/30/2004</u>
Vehicles	\$ 112,905	\$ 20,450	\$ -	\$ 133,355
Workshop tools	9,619	-	-	9,619
Furniture and fixtures	32,810	-	-	32,810
	155,334	<u>20,450</u>	<u>-</u>	175,784
Accumulated depreciation	<u>(105,873)</u>	<u>\$ (19,122)</u>	<u>\$ -</u>	<u>(124,995)</u>
Total Property and Equipment	<u>\$ 49,461</u>			<u>\$ 50,789</u>

NOTE C - ACCOUNTS RECEIVABLE

Iberville Parish Council	\$ 1,664
State of Louisiana Department of Health & Hospitals, Office of Human Services, Division of Mental Retardation: Cost Reimbursement	12,809
Community Network, Inc.	17,075
Other Receivables (including Medicaid)	<u>90,506</u>
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 122,054</u>

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE D - CASH

The total cash held by the Association at June 30, 2004 includes \$558,593 in monies that are not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
 INSURANCE IN FORCE
 JUNE 30, 2004
 (Unaudited)

Insurer	Type of Coverage	Amount	Inception Date	Term in Months
Transcontinental Insurance Co.	Comprehensive General Liability and Comprehensive Auto and Liability	BI & PD Combined \$1,000,000 per occurrence	July 1, 2003	12
Transcontinental Insurance Co. Savant Insurance Services Western Surety Co.	Janitorial bond		February 28, 2004	12
Louisiana Habilitation Providers, Inc.	Workers' Compensation	Statutory	July 1, 2003	12
Frontier Insurance Co.	NARC Director/Officers' Liability	\$1,000,000	April 1, 2004	12

ASSOCIATION FOR RETARDED CITIZENS-IBERVILLE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

- Material weaknesses identified? _____yes X no
- Reportable condition identified that are
not considered to be material weaknesses? _____yes X no
- Noncompliance material to financial statements
noted? _____yes X no