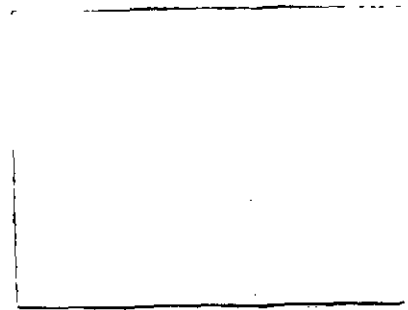


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**ASSOCIATION FOR RETARDED  
CITIZENS/OUACHITA**

**Financial Statements  
For the Year Ended 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 1-26-05

ASSOCIATION FOR RETARDED CITIZENS/OUACHITA

JUNE 30, 2004

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Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

## 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 **The Association For Retarded Citizens/Ouachita** (a nonprofit organization - the Association) as of June 30, 2004, 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 auditing standards generally accepted in the United States of America; 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, 2004, and the changes in its net assets and its 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 December 13, 2004, 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. 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.

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

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 13, 2004**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2004**

<b>ASSETS</b>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Cash	\$ 505,476	\$ 2,040	\$ 507,516
Accounts Receivable			
Memberships	14,859	-	14,859
Services	267,626	-	267,626
Other	-	26,140	26,140
United Way	-	95,844	95,844
Prepaid Expenses	2,648	-	2,648
Land, Building and Equipment	517,714	193,276	710,990
Accumulated Depreciation	(354,801)	(167,496)	(522,297)
Other Deposits	5,100	6,535	11,635
<b>TOTAL ASSETS</b>	<u>\$ 958,622</u>	<u>\$ 156,339</u>	<u>\$ 1,114,961</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 59,258	\$ -	\$ 59,258
Payroll Taxes Payable	4,545	-	4,545
Accrued Payroll	107,528	-	107,528
Notes Payable	103,920	-	103,920
Conditional Transfers	48,980	-	48,980
<b>Total Liabilities</b>	<u>324,231</u>	<u>-</u>	<u>324,231</u>
<b>Net Assets</b>			
Unrestricted	634,391	-	634,391
Temporarily Restricted	-	156,339	156,339
<b>Total Net Assets</b>	<u>634,391</u>	<u>156,339</u>	<u>790,730</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 958,622</u>	<u>\$ 156,339</u>	<u>\$ 1,114,961</u>

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Intergovernmental	\$ 2,935,553	\$ 26,140	\$ 2,961,693
Charges for Services	207,797	-	207,797
United Way Allocation	-	195,813	195,813
Contributions	31,183	2,040	33,223
Membership Dues	84,037	-	84,037
Contributions and Net Revenue from Special Events			
Contributions	129,332	-	129,332
Special Event Revenue	116,629	-	116,629
Costs of Direct Benefits to Donors	(116,629)	-	(116,629)
Other Revenues	20,787	-	20,787
Total	3,408,689	223,993	3,632,682
 Net Assets Released from Time Restrictions	 214,481	 (214,481)	 -
 Total Support and Revenue	 3,623,170	 9,512	 3,632,682
 <b>Expenses</b>			
Program Services			
Adult Habilitation	497,476	-	497,476
Vocational Rehabilitation	30,478	-	30,478
Supported Work Contracts	135,044	-	135,044
Supported/Independent Living	1,531,497	-	1,531,497
Community Home:			
Mallard Home	284,829	-	284,829
Respite	34,596	-	34,596
Early Intervention	456,916	-	456,916
Total Program Services	2,970,836	-	2,970,836
Supporting Services			
Management and General	382,600	-	382,600
Fund Raising	81,073	-	81,073
Total Supporting Services	463,673	-	463,673
 Total Expenses	 3,434,509	 -	 3,434,509
 Increase in Net Assets	 188,661	 9,512	 198,173
 Net Assets at Beginning of Year	 445,730	 146,827	 592,557
 <b>NET ASSETS AT END OF YEAR</b>	 \$ 634,391	 \$ 156,339	 \$ 790,730

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, 2004**

	<b>PROGRAM SERVICES</b>				
	<b>Adult Habilitation</b>	<b>Vocational Rehabilitation</b>	<b>Supported Work Contracts</b>	<b>Supported/ Independent Living</b>	<b>Mallard Home</b>
<b>Salaries</b>	\$ 313,279	\$ 19,194	\$ 103,139	\$ 1,176,737	\$ 123,286
<b>Payroll Taxes</b>	24,342	1,491	600	93,555	10,484
<b>Pension</b>	4,731	290	-	16,470	2,265
<b>Total Salaries and Related Expenses</b>	342,352	20,975	103,739	1,286,762	136,035
<b>Dues and Subscriptions</b>	994	61	-	2,140	362
<b>Food</b>	3,793	232	-	2,669	10,924
<b>Insurance</b>	43,470	2,663	23,703	118,427	26,074
<b>Interest</b>	711	44	-	1,153	3,801
<b>Licenses and Inspections</b>	561	34	-	2,929	894
<b>Maintenance</b>	2,161	132	-	7,829	3,607
<b>Medical</b>	2,293	140	-	4,682	2,667
<b>Miscellaneous</b>	714	43	-	862	24,795
<b>Office Supplies and Postage</b>	2,754	171	-	4,735	711
<b>Professional Fees</b>	1,279	78	-	4,819	4,126
<b>Public Awareness</b>	6,345	389	338	9,721	132
<b>Rent</b>	6,231	382	-	11,178	1,894
<b>Supplies</b>	1,626	102	7,264	4,339	5,475
<b>Telephone</b>	7,500	459	-	4,009	1,008
<b>Training</b>	1,498	89	-	7,485	45,133
<b>Transportation</b>	39,075	2,394	-	1,146	2,865
<b>Travel</b>	6,676	409	-	43,854	1,047
<b>Utilities</b>	4,836	296	-	6,725	6,400
<b>Total</b>	474,869	29,093	135,044	1,525,464	277,950
<b>Depreciation of Buildings and Equipment</b>	22,607	1,385	-	6,033	6,879
<b>TOTAL FUNCTIONAL EXPENSES</b>	497,476	30,478	135,044	1,531,497	284,829
<b>Allocation of Central Office Overhead to Programs</b>	57,131	3,498	-	174,612	31,889
<b>TOTAL FUNCTIONAL EXPENSES AFTER ALLOCATION OF CENTRAL OFFICE OVERHEAD</b>	\$ 554,607	\$ 33,976	\$ 135,044	\$ 1,706,109	\$ 316,718

The accompanying notes are an integral part of this statement.

**SUPPORTING SERVICES**

<b>Respite And Personal Care Attendant</b>	<b>Early Intervention</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>
\$ 25,800	\$ 121,117	\$ 1,882,552	\$ 219,574	\$ 38,518	\$ 258,092	\$ 2,140,644
2,049	9,598	142,119	16,225	2,669	18,894	161,013
554	2,774	27,084	5,510	531	6,041	33,125
<u>28,403</u>	<u>133,489</u>	<u>2,051,755</u>	<u>241,309</u>	<u>41,718</u>	<u>283,027</u>	<u>2,334,782</u>
-	716	4,273	1,808	122	1,930	6,203
6	1,272	18,896	832	2,407	3,239	22,135
4,674	8,107	227,118	18,793	4,209	23,002	250,120
51	156	5,916	379	64	443	6,359
11	730	5,159	127	107	234	5,393
124	7,615	21,468	14,473	2,412	16,885	38,353
34	261	10,077	31	12	43	10,120
2	1,251	27,667	1,116	560	1,676	29,343
84	2,118	10,573	4,699	12,116	16,815	27,388
61	265,710	276,073	49,488	2,014	51,502	327,575
5	3,466	20,396	6,017	7,757	13,774	34,170
151	14,843	34,679	20,692	4,595	25,287	59,966
50	1,390	20,246	1,522	255	1,777	22,023
301	4,061	17,338	3,048	500	3,548	20,886
121	3,285	57,611	1,824	93	1,917	59,528
-	1,007	46,487	-	-	-	46,487
104	2,142	54,232	3,356	145	3,501	57,733
292	4,913	23,462	5,520	853	6,373	29,835
<u>34,474</u>	<u>456,532</u>	<u>2,933,426</u>	<u>375,034</u>	<u>79,939</u>	<u>454,973</u>	<u>3,388,399</u>
<u>122</u>	<u>384</u>	<u>37,410</u>	<u>7,566</u>	<u>1,134</u>	<u>8,700</u>	<u>46,110</u>
34,596	456,916	2,970,836	382,600	81,073	463,673	3,434,509
<u>3,816</u>	<u>52,027</u>	<u>322,973</u>	<u>(322,973)</u>	<u>-</u>	<u>(322,973)</u>	<u>-</u>
<u>\$ 38,412</u>	<u>\$ 508,943</u>	<u>\$ 3,293,809</u>	<u>\$ 59,627</u>	<u>\$ 81,073</u>	<u>\$ 140,700</u>	<u>\$ 3,434,509</u>



**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>Cash Flows From Operating Activities</b>	
Increase in Net Assets	\$ 198,173
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	46,110
Gain on fixed assets	(6,292)
Changes in assets and liabilities	
Accounts receivable	(105,659)
Other assets	(3,842)
Accounts payable and accrued expenses	29,186
Net cash provided by operating activities	<u>157,676</u>
 <b>Cash Flows From Investing Activities</b>	
Purchase of equipment	(13,285)
Proceeds from sale of assets	2,658
Net cash used by investing activities	<u>(10,627)</u>
 <b>Cash Flows From Financing Activities</b>	
Payments on notes payable	(11,009)
Conditional transfer	48,980
Net cash provided by financing activities	<u>37,971</u>
 <b>Net Increase in Cash</b>	185,020
 <b>Cash at Beginning of Year</b>	<u>322,496</u>
 <b>CASH AT END OF YEAR</b>	<u><u>\$ 507,516</u></u>
 <b>Supplemental Disclosures:</b>	
 Cash paid for interest	<u><u>\$ 6,359</u></u>
 <b>Noncash investing and financing activities:</b>	
Purchase and finance equipment	<u><u>\$ 21,275</u></u>

The accompanying notes are an integral part of this statement.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

**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 within its service area which generally includes the Northeast portion of Louisiana. Their programs are designed to assist and train clients to become independent citizens within their service area. 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, 2004, 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, 2004 the Association had a receivable of \$95,844 representing United Way contributions awarded during fiscal year ending June 30, 2004 that will be received during the subsequent fiscal year. 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.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

*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 - 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 \$44,612 are included in charges for services.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

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 cleaning and document destruction services by clients.

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.

Mallard Home – Mallard Home's 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 Mallard Home are trained in the Adult Habilitation Program. Included in the expense is \$45,303 for this service.

Respite/Personal Care Attendant - Respite's income was derived from the Louisiana Department of Health and Hospitals, and United Way. The Respite program provided temporary care within the client's own home. The Personal Care Attendant (PCA) program provided support and training for individuals in satisfying their own personal needs. This program terminated in October 2003.

Early Intervention - Early Intervention's income is derived from the Louisiana Department of Health and Hospitals, United Way, United States 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.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

*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 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, 2004:

Buildings and Improvements	\$ 203,417
Furniture and Equipment	190,117
Vehicles	274,318
Land	43,138
Less: Accumulated Depreciation	<u>(522,297)</u>
Net Land, Building and Equipmer	<u>\$ 188,693</u>

Included in vehicles above are six vehicles that cost a total of \$193,276 that were acquired through Federal grants. The Association retains title to those vehicles as long as they are kept, maintained and used for the Association's designated purpose. Those vehicles are not to be sold or disposed of either during their useful lives (5 years or 100,000 miles) or without the state's permission; therefore, these vehicles and related accumulated depreciation are shown as temporarily restricted.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Note 4 - Notes Payable**

Notes payable consisted of three notes at June 30, 2004, as follows:

Ouachita Independent Bank	\$ 39,536
Ouachita Independent Bank	45,101
General Motors Acceptance Corporation (GMAC)	<u>19,283</u>
TOTAL	<u>\$ 103,920</u>

Both of the notes with Ouachita Independent Bank are mortgage notes with fixed interest rates of 6.25% and 6.50% respectively. They are secured by real estate and mature in 2007. The monthly installments are \$618 and \$621 respectively, including interest, with balloon payments due in 2007.

The note with GMAC has an interest rate of 5.99% and is secured by a vehicle. Monthly installment payments are \$500, including interest, and the note matures in 2008.

The aggregate principal payments of indebtedness maturing during the next five years are as follows: 2005 - \$14,733; 2006 - \$15,679; 2007- \$70,085; and 2008 - \$3,423.

A letter of credit in the amount of \$100,000 was issued by Hibernia National Bank. It is secured by all funds on deposit with them and provides a variable simple interest rate to be adjusted monthly to one percent (1%) over the Wall Street Journal prime rate. There was no outstanding debt on this line of credit at June 30, 2004 and nothing has been advanced to the Organization since then. The line of credit is subject to annual renewal in December of each year.

**Note 5 - Temporarily Restricted Net Assets**

The following summarizes net assets that are temporarily restricted as of June 30, 2004:

Cash - Building Fund	\$ 2,040
Accounts Receivable - United Way (Note 2-B)	95,844
Accounts Receivable - Grant for DOTD Van	26,140
Deposit on DOTD Van	6,535
Vehicles - DOTD	193,276
Less: Accumulated Depreciation	<u>(167,496)</u>
Total	<u>\$ 156,339</u>

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

During the year ended June 30, 2004, the Kitty DeGree Foundation pledged and paid a matching grant of \$50,000 for ARCO's Building Program. Those funds are to be earned based on other donations that are received and dedicated to the Building Program. A total of \$1,020 was donated during the year ended June 30, 2004. Therefore, a total of \$2,040 of cash is included in temporarily restricted net assets and the unearned portion of the matching grant of \$48,980 is reported as conditional transfers which will be recognized as income to the Building Fund as qualifying donations are received.

The Organization received a commitment for a grant of \$26,140 to be applied toward the purchase of a vehicle and paid a deposit of \$6,535 for the vehicle. These amounts are also included in temporarily restricted net assets.

**Note 6 - Disclosures About Concentrations**

The Association's cash and cash investments are on deposit with two Federally insured financial institutions. The amounts on deposit totaled \$544,297 of which \$344,297 was not insured at June 30, 2004.

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

**Note 7 - Operating Leases**

Total rent expense for the year was \$59,966. 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.

**Note 9 - Related Party Transactions**

The matching grant from the Kitty DeGree Foundation, described in Note 5 above, is a related party transaction since Ms. Kitty DeGree serves as the President of the Association.

**OTHER SUPPLEMENTARY DATA**



**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**COMBINING SCHEDULE OF FINANCIAL POSITION**  
**JUNE 30, 2004**

**SCHEDULE 1**

	<b>General Fund</b>	<b>Vocational Fund</b>	<b>Supported Work Contracts</b>	<b>Supported/ Independent Living</b>
<b>ASSETS</b>				
Cash	\$ 507,176	\$ 150	\$ -	\$ 30
Accounts Receivable				
Memberships	14,859	-	-	-
Services	-	26,195	10,106	111,740
Other	-	26,140	-	-
United Way	95,844	-	-	-
Due From Other Funds	90,518	1,463	-	-
Fixed Assets	300,023	166,867	-	41,338
Accumulated Depreciation	(216,127)	(142,988)	-	(41,000)
Land	35,138	-	-	-
Prepaid Expenses	2,648	-	-	-
Other Deposits	2,700	6,535	-	-
<b>TOTAL ASSETS</b>	<b>\$ <u>832,779</u></b>	<b>\$ <u>84,362</u></b>	<b>\$ <u>10,106</u></b>	<b>\$ <u>112,108</u></b>
 <b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 9,434	\$ 5,684	\$ 2,716	\$ 11,400
Due to Other Funds	1,463	-	2,768	31,064
Payroll Taxes Payable	(3,034)	1,460	-	4,954
Accrued Payroll	4,125	19,321	4,622	64,132
Notes Payable	39,536	-	-	-
Deferred Revenue	48,980	-	-	-
<b>Total Liabilities</b>	<b>100,504</b>	<b>26,465</b>	<b>10,106</b>	<b>111,550</b>
 <b>Net Assets</b>				
Unrestricted	634,391	-	-	-
Temporarily Restricted	97,884	57,897	-	558
<b>Total Net Assets</b>	<b>732,275</b>	<b>57,897</b>	<b>-</b>	<b>558</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>832,779</u></b>	<b>\$ <u>84,362</u></b>	<b>\$ <u>10,106</u></b>	<b>\$ <u>112,108</u></b>

<u>Mallard Home</u>	<u>Respite And Personal Care Attendant</u>	<u>Early Intervention</u>	<u>Total All Funds</u>
\$ 160	\$ -	\$ -	\$ 507,516
-	-	-	14,859
58,666	-	60,919	267,626
-	-	-	26,140
-	-	-	95,844
-	-	-	91,981
147,697	-	11,927	667,852
(109,188)	-	(12,994)	(522,297)
8,000	-	-	43,138
-	-	-	2,648
-	-	2,400	11,635
<u>\$ 105,335</u>	<u>\$ -</u>	<u>\$ 62,252</u>	<u>\$ 1,206,942</u>

\$ 7,481	\$ -	\$ 22,543	\$ 59,258
25,162	-	31,524	91,981
582	-	583	4,545
7,726	-	7,602	107,528
64,384	-	-	103,920
-	-	-	48,980
<u>105,335</u>	<u>-</u>	<u>62,252</u>	<u>416,212</u>

-	-	-	634,391
-	-	-	156,339
<u>-</u>	<u>-</u>	<u>-</u>	<u>790,730</u>
<u>\$ 105,335</u>	<u>\$ -</u>	<u>\$ 62,252</u>	<u>\$ 1,206,942</u>

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2003  
SCHEDULE 2**

	<u>General Fund</u>	<u>Vocational Fund</u>	<u>Vocational Rehabilitation</u>	<u>Supportive Work Contracts</u>	<u>Supported/ Independent Living</u>
<b>Support and Revenue</b>					
Intergovernmental	\$ -	\$ 459,143	\$ 33,978	\$ -	\$ 1,669,456
Charges For Services	-	44,612	-	102,468	12,204
Contributions	33,223	-	-	-	-
United Way Allocation	195,813	-	-	-	-
Membership Dues	84,037	-	-	-	-
Contributions and Net Revenues from Special Events					
Contributions	129,332	-	-	-	-
Special Event Revenue	116,629	-	-	-	-
Costs of Direct Benefit to Donors	(116,629)	-	-	-	-
Other Revenues	13,764	1,540	-	67	148
Total support and revenue	<u>456,169</u>	<u>505,295</u>	<u>33,978</u>	<u>102,535</u>	<u>1,681,808</u>
<b>Expenses</b>					
Depreciation and Amortization	2,181	23,759	1,456	-	9,555
Dues and Subscriptions	734	1,206	74	-	2,789
Food	2,991	3,837	235	-	2,803
Insurance	8,094	46,107	2,825	23,703	126,486
Interest	78	775	48	-	1,350
Licenses and Inspections	162	573	35	-	2,967
Maintenance	4,751	4,310	261	-	14,390
Medical	24	2,296	140	-	4,692
Miscellaneous	(2,801)	1,510	91	-	3,303
Office Supplies and Postage	11,017	3,781	234	-	7,878
Payroll Taxes	5,392	26,730	1,637	601	100,851
Pension	1,022	5,619	344	-	19,180
Professional Fees	8,680	8,866	543	-	28,041
Public Awareness	12,146	6,631	407	338	10,595
Rent	8,687	9,166	562	-	20,148
Salaries	74,072	345,817	21,187	103,139	1,276,145
Supplies	(27)	1,945	122	7,264	5,317
Telephone	1,400	7,881	482	-	5,174
Training	179	1,804	108	-	8,419
Transportation	-	39,075	2,394	-	1,146
Travel	278	7,246	444	-	45,598
Utilities	1,639	5,673	347	-	9,282
Total Expenses	<u>140,699</u>	<u>554,607</u>	<u>33,976</u>	<u>135,045</u>	<u>1,706,109</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	315,470	(49,312)	2	(32,510)	(24,301)

	Mallard Home	Respite And Personal Care Attendant	Early Intervention	Total June 30	
				2004	2003
\$	285,996	\$ 29,979	\$ 483,141	\$ 2,961,693	\$ 2,746,619
	21,735	-	26,778	207,797	228,848
	-	-	-	33,223	24,974
	-	-	-	195,813	198,597
	-	-	-	84,037	50,293
	-	-	-	129,332	46,841
	-	-	-	116,629	120,000
	-	-	-	(116,629)	(120,307)
	2,521	-	2,747	20,787	11,790
	<u>310,252</u>	<u>29,979</u>	<u>512,666</u>	<u>3,632,682</u>	<u>3,307,655</u>
	7,522	203	1,433	46,109	57,789
	481	9	910	6,203	8,266
	10,948	9	1,312	22,135	15,318
	27,546	4,851	10,508	250,120	168,760
	3,837	56	215	6,359	6,407
	901	13	741	5,392	5,046
	4,805	267	9,570	38,354	38,418
	2,669	34	264	10,119	8,216
	25,242	22	1,979	29,346	32,843
	1,286	138	3,055	27,389	17,487
	11,816	2,215	11,772	161,014	167,422
	2,760	619	3,581	33,125	29,198
	8,375	436	272,634	327,575	202,033
	291	36	3,726	34,170	24,309
	3,532	355	17,515	59,965	55,507
	141,432	28,122	150,731	2,140,645	2,163,218
	5,654	66	1,682	22,023	20,241
	1,221	319	4,408	20,885	17,075
	45,303	150	3,563	59,526	59,064
	2,865	-	1,007	46,487	35,612
	1,365	140	2,662	57,733	50,056
	6,867	352	5,675	29,835	30,333
	<u>316,718</u>	<u>38,412</u>	<u>508,943</u>	<u>3,434,509</u>	<u>3,212,618</u>
	(6,466)	(8,433)	3,723	198,173	95,037

(Continued)

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
COMBINING SCHEDULE OF ACTIVITIES (CONCLUDED)  
FOR THE YEAR ENDED JUNE 30, 2004  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2003  
SCHEDULE 2**

	<u>General Fund</u>	<u>Vocational Fund</u>	<u>Vocational Rehabilitation</u>	<u>Supportive Work Contracts</u>	<u>Supported/ Independent Living</u>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	\$ -	\$ 63,040	\$ -	\$ 32,510	\$ 22,071
Operating Transfers (Out)	(128,795)	-	(2)	-	-
Total Other Financing Sources (Uses)	<u>(128,795)</u>	<u>63,040</u>	<u>(2)</u>	<u>32,510</u>	<u>22,071</u>
<b>Increase (Decrease) in Net Assets</b>	186,675	13,728	-	-	(2,230)
<b>Net Assets at Beginning of Year</b>	<u>545,600</u>	<u>44,169</u>	<u>-</u>	<u>-</u>	<u>2,788</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 732,275</u>	<u>\$ 57,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558</u>

	Mallard Home	Respite And Personal Care Attendant	Early Intervention	Total June 30	
				2004	2003
\$	6,466	\$ 8,433	\$ -	\$ 132,520	\$ 106,751
	-	-	(3,723)	(132,520)	(106,751)
	<u>6,466</u>	<u>8,433</u>	<u>(3,723)</u>	<u>-</u>	<u>-</u>
	-	-	-	198,173	95,037
	-	-	-	<u>592,557</u>	<u>497,520</u>
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>790,730</u>	<u>592,557</u>

**SUPPLEMENTARY INFORMATION -  
GRANT ACTIVITY**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>C.F.D.A. Number</b>	<b>Federal Award Amount</b>	<b>Expenditures</b>
<b>Flow-Through Programs</b>			
Department of Housing and Urban Development City of Monroe CDBG Year 2003 Grant for Operational Independence	14.218	\$ 12,500	\$ 12,500
Department of Transportation Office of Urban Mass Transit Adult Habilitation	20.500	<u>26,140</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 38,640</u>	<u>\$ 12,500</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, 2004**

<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	599407	\$ 38,000	\$ 38,000
Adult Habilitation Program	595870	246,300	246,300
Supervised Independent Living	595364	<u>24,990</u>	<u>24,922</u>
<b>TOTAL STATE AWARDS</b>		<u>\$ 309,290</u>	<u>\$ 309,222</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, 2004**

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 (ARCO). 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- governmental Revenue
Adult Habilitation	\$ 26,140	\$ 246,300	\$ -	\$ 186,703	\$ 459,143
Mallard Home	-	-	-	285,996	285,996
Respite/PCA	-	-	-	29,979	29,979
Supported/Independent Living	12,500	24,922	6,820	1,625,214	1,669,456
Early Intervention	-	38,000	-	445,141	483,141
Vocational Rehabilitation	-	-	-	33,978	33,978
<b>TOTALS</b>	<u>\$ 38,640</u>	<u>\$ 309,222</u>	<u>\$ 6,820</u>	<u>\$ 2,607,011</u>	<u>\$ 2,961,693</u>



Francis I. Huffman, CPA  
L. Fred Monroe, CPA  
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

**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  
The Association for Retarded Citizens / Ouachita  
Monroe, Louisiana**

We have audited the financial statements of **The Association for Retarded Citizens/Ouachita** (the Association) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 13, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Ruffey Hoffman & House".

(A Professional Accounting Corporation)

**December 13, 2004**