

9586

RECEIVED  
LEGISLATIVE AUDITOR  
2004 JAN -5 PM 12:30

**ASSOCIATION FOR RETARDED  
CITIZENS/OUACHITA**

**Financial Statements  
For the Year Ended June 30, 2003**

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 2-18-04

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**

**JUNE 30, 2003**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditors' Report -----	1
Statement of Financial Position -----	3
Statement of Activities -----	4
Statement of Functional Expenses -----	5
Statement of Cash Flows -----	7
Notes to Financial Statements -----	8

**OTHER SUPPLEMENTARY DATA**

Schedule 1 - Combining Schedule of Financial Position -----	15
Schedule 2 - Combining Schedule of Activities -----	17

**SUPPLEMENTARY INFORMATION-**  
**GRANT ACTIVITY**

Schedule of Expenditures of Federal Awards -----	22
Schedule of Expenditures of State Awards -----	23
Notes to Schedule of Expenditures of Federal and State Awards -----	24
Independent Auditors' Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> -----	25

---



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, 2003, 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, 2003, 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 19, 2003, 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.

(318) 387-2672 • FAX (318) 322-8866 • [www.lhm-cpas.com](http://www.lhm-cpas.com)  
1100 N 18<sup>th</sup> ST • PO Box 4745 • Monroe LA 71211-4745  
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**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 19, 2003**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2003**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 322,496	\$ -	\$ 322,496
Accounts Receivable			
Memberships	15,281	-	15,281
Services	183,576	-	183,576
Other	83	-	83
United Way	-	99,870	99,870
Prepaid Expenses	7,441	-	7,441
Land, Building and Equipment	482,496	191,948	674,444
Accumulated Depreciation	(332,844)	(144,991)	(477,835)
Other Deposits	3,000	-	3,000
	<u>681,529</u>	<u>146,827</u>	<u>828,356</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>681,529</u></b>	<b>\$ <u>146,827</u></b>	<b>\$ <u>828,356</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 47,771	\$ -	\$ 47,771
Payroll Taxes Payable	3,339	-	3,339
Accrued Payroll	91,035	-	91,035
Notes Payable	93,654	-	93,654
Total Liabilities	<u>235,799</u>	<u>-</u>	<u>235,799</u>
<b>Net Assets</b>			
Unrestricted	445,730	-	445,730
Temporarily Restricted	-	146,827	146,827
Total Net Assets	<u>445,730</u>	<u>146,827</u>	<u>592,557</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>681,529</u></b>	<b>\$ <u>146,827</u></b>	<b>\$ <u>828,356</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, 2003**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and Revenue</b>			
Intergovernmental	\$ 2,746,619	\$ -	\$ 2,746,619
Charges for Services	228,848	-	228,848
United Way Allocation	-	198,597	198,597
Contributions	24,974	-	24,974
Membership Dues	50,293	-	50,293
Contributions and Net Revenue from Special Events: (Note 6)			
Contributions	51,943	-	51,943
Special Event Revenue	106,295	-	106,295
Costs of Direct Benefits to Donors	(111,704)	-	(111,704)
Other Revenues	11,790	-	11,790
Total	3,109,058	198,597	3,307,655
 Net Assets Released from Time Restrictions	 216,657	 (216,657)	 -
 Total Support and Revenue	 3,325,715	 (18,060)	 3,307,655
 <b>Expenses</b>			
Program Services			
Adult Habilitation	468,353	-	468,353
Vocational Rehabilitation	37,212	-	37,212
Supported Work Contracts	135,624	-	135,624
Supported/Independent Living	1,502,247	-	1,502,247
Community Home:			
Mallard Home	288,521	-	288,521
Respite	86,929	-	86,929
Early Intervention	274,276	-	274,276
Total Program Services	2,793,162	-	2,793,162
Supporting Services			
Management and General	364,677	-	364,677
Fund Raising	54,779	-	54,779
Total Supporting Services	419,456	-	419,456
 Total Expenses	 3,212,618	 -	 3,212,618
 Increase (Decrease) in Net Assets	 113,097	 (18,060)	 95,037
 Net Assets at Beginning of Year	 332,633	 164,887	 497,520
 <b>NET ASSETS AT END OF YEAR</b>	 \$ 445,730	 \$ 146,827	 \$ 592,557

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, 2003**

	<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>	\$ 311,048	\$ 24,639	\$ 105,409	\$ 1,196,850	\$ 133,119
<b>Payroll Taxes</b>	24,609	1,949	1,142	98,820	11,281
<b>Pension</b>	5,063	397	-	12,770	1,568
<b>Total Salaries and Related Expenses</b>	340,720	26,985	106,551	1,308,440	145,968
<b>Dues and Subscriptions</b>	1,478	117	-	2,526	419
<b>Food</b>	816	65	-	1,255	9,321
<b>Insurance</b>	30,074	2,382	22,597	60,780	19,585
<b>Interest</b>	766	61	-	1,336	3,524
<b>Licenses and Inspections</b>	426	34	-	2,701	1,006
<b>Maintenance</b>	4,641	368	177	7,250	5,178
<b>Medical</b>	1,759	139	-	4,057	1,522
<b>Miscellaneous</b>	946	75	-	557	26,959
<b>Office Supplies and Postage</b>	1,638	130	-	4,598	599
<b>Professional Fees</b>	2,857	226	-	9,586	5,324
<b>Public Awareness</b>	2,410	191	-	13,258	576
<b>Rent</b>	6,390	506	-	11,997	1,708
<b>Supplies</b>	1,600	243	6,299	4,008	5,361
<b>Telephone</b>	6,440	510	-	2,729	786
<b>Training</b>	1,781	141	-	9,380	42,139
<b>Transportation</b>	26,107	2,068	-	4,088	2,655
<b>Travel</b>	6,494	514	-	34,405	2,110
<b>Utilities</b>	5,010	397	-	8,132	5,879
<b>Total</b>	442,353	35,152	135,624	1,491,083	280,619
<b>Depreciation of Buildings and Equipment</b>	26,000	2,060	-	11,164	7,902
<b>TOTAL FUNCTIONAL EXPENSES</b>	468,353	37,212	135,624	1,502,247	288,521
<b>Allocation of Central Office Overhead to Programs</b>	53,590	4,246	-	171,877	32,997
<b>TOTAL FUNCTIONAL EXPENSES AFTER ALLOCATION OF CENTRAL OFFICE OVERHEAD</b>	\$ 521,943	\$ 41,458	\$ 135,624	\$ 1,674,124	\$ 321,518

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>
\$ 62,644	\$ 81,715	\$ 1,915,424	\$ 220,062	\$ 27,733	\$ 247,795	\$ 2,163,219
5,173	6,460	149,434	15,968	2,018	17,986	167,420
1,021	2,217	23,036	5,596	566	6,162	29,198
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
68,838	90,392	2,087,894	241,626	30,317	271,943	2,359,837
115	795	5,450	2,672	145	2,817	8,267
49	682	12,188	1,166	1,963	3,129	15,317
11,329	5,300	152,047	14,970	1,743	16,713	168,760
144	88	5,919	449	39	488	6,407
607	150	4,924	66	56	122	5,046
423	3,898	21,935	14,491	1,992	16,483	38,418
354	84	7,915	273	29	302	8,217
-	1,509	30,046	2,555	241	2,796	32,842
671	1,818	9,454	(139)	8,172	8,033	17,487
139	144,279	162,411	36,064	3,558	39,622	202,033
1,450	771	18,656	4,100	1,554	5,654	24,310
52	11,447	32,100	20,931	2,477	23,408	55,508
95	466	18,072	2,169	-	2,169	20,241
660	3,829	14,954	1,886	235	2,121	17,075
182	2,082	55,705	3,034	325	3,359	59,064
-	694	35,612	-	-	-	35,612
714	1,762	45,999	3,687	371	4,058	50,057
762	4,023	24,203	5,576	553	6,129	30,332
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
86,584	274,069	2,745,484	355,576	53,770	409,346	3,154,830
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
345	207	47,678	9,101	1,009	10,110	57,788
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
86,929	274,276	2,793,162	364,677	54,779	419,456	3,212,618
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
10,235	32,114	305,059	(305,059)	-	(305,059)	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>\$ 97,164</u>	<u>\$ 306,390</u>	<u>\$ 3,098,221</u>	<u>\$ 59,618</u>	<u>\$ 54,779</u>	<u>\$ 114,397</u>	<u>\$ 3,212,618</u>

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2003**

<b>Cash Flows From Operating Activities</b>	
Increase in Net Assets	\$ 95,037
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	57,788
Contribution of vehicle	(2,730)
Changes in assets and liabilities	
Accounts receivable	33,629
Other assets	(7,617)
Accounts payable and accrued expenses	(3,112)
Net cash provided by operating activities	<u>172,995</u>
 <b>Cash Flows From Investing Activities</b>	
Purchase of equipment	<u>(3,072)</u>
Net cash used by investing activities	<u>(3,072)</u>
 <b>Cash Flows From Financing Activities</b>	
Payments on notes payable	<u>(8,595)</u>
Net cash used by financing activities	<u>(8,595)</u>
 <b>Net Increase in Cash</b>	161,328
 <b>Cash at Beginning of Year</b>	<u>161,168</u>
 <b>CASH AT END OF YEAR</b>	<u>\$ 322,496</u>
 Supplemental Disclosures:	
 Non-Cash Investing and Financing Transaction:	
Contribution of vehicle	\$ <u>2,730</u>
 Cash paid for interest	\$ <u>6,407</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, 2003**

**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, 2003, 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, 2003 the Association had a receivable of \$99,870 representing United Way contributions awarded during fiscal year ending June 30, 2003 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, 2003**

*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 \$41,440 are included in charges for services.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2003**

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.

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 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 Mallard Home are trained in the Adult Habilitation Program. Included in the expense is \$42,449 for this service.

Respite/Personal Care Attendant - Respite's income is derived from the Louisiana Department of Health and Hospitals, and United Way. The Respite program provides temporary care within the client's own home. The Personal Care Attendant (PCA) 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, 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, 2003**

*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, 2003:

Buildings and Improvements	\$	197,861
Furniture and Equipment		184,000
Vehicles		249,445
Land		43,138
Less: Accumulated Depreciation		<u>(477,835)</u>
 NET LAND, BUILDING AND EQUIPMENT	 \$	 <u>196,609</u>

Included in vehicles above are six vehicles that cost a total of \$191,948 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 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 during the calendar year ending in 2003, three in 2004, one in 2005, and the remaining one in 2007.

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003**

**Note 4 - Notes Payable**

Notes payable consisted of two notes at June 30, 2003, as follows:

Ouachita Independent Bank	\$ 44,273
Ouachita Independent Bank	<u>49,381</u>
TOTAL	<u>\$ 93,654</u>

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

The aggregate principal payments of indebtedness maturing during the next five years are as follows: 2004 - \$9,158; 2005 - \$9,759; 2006 - \$10,399; and 2007- \$64,338.

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, 2003 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 - Disclosures About Concentrations**

The Association's cash and cash investments are on deposit with two Federally insured financial institutions. The amounts on deposit totaled \$337,794 of which \$147,670 was not insured at June 30, 2003.

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

**Note 6 - Special Events**

The Association created the 1<sup>st</sup> Annual Ike & Shirley Hamilton Memorial/Doug Pederson Celebrity Golf Classic and Auction which consisted of a weekend of events including Parings Party, Silent Auction, Live Auction and Golf Tournament. Auction items were either donated outright or held for minimum bids to pay "at cost" price with some local businesses. The total contributions less these minimum bids were \$51,943. Other

**THE ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2003**

revenues from the event were \$106,295 while expenses (excluding auction items mentioned above) were \$111,704. Overall the Association's event generated \$46,534 net dollars.

**Note 7 - Operating Leases**

Total rent expense for the year was \$55,507. 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.

**OTHER SUPPLEMENTARY DATA**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
COMBINING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2003**

**SCHEDULE 1**

	<b>General Fund</b>	<b>Vocational Fund</b>	<b>Supported Work Contracts</b>	<b>Supported/ Independent Living</b>
<b>ASSETS</b>				
Cash	\$ 322,176	\$ 150	\$ -	\$ 30
Accounts Receivable				
Memberships	15,281	-	-	-
Services	-	24,812	7,747	95,821
Other	2	2	49	-
United Way	99,870	-	-	-
Due From Other Funds	52,601	-	-	-
Fixed Assets	285,907	167,673	1,976	41,338
Accumulated Depreciation	(199,670)	(121,524)	(1,973)	(37,669)
Land	35,138	-	-	-
Prepaid Expenses	7,441	-	-	-
Other Deposits	2,600	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 621,346</b>	<b>\$ 71,113</b>	<b>\$ 7,799</b>	<b>\$ 99,520</b>
 <b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 13,716	\$ 2,888	\$ 203	\$ 5,879
Due to Other Funds	16,136	7,264	3,655	34,007
Payroll Taxes Payable	(3,231)	1,193	-	4,040
Accrued Payroll	4,852	15,599	3,941	52,806
Notes Payable	44,273	-	-	-
<b>Total Liabilities</b>	<b>75,746</b>	<b>26,944</b>	<b>7,799</b>	<b>96,732</b>
 <b>Net Assets</b>				
Unrestricted	445,730	-	-	-
Temporarily Restricted	99,870	44,169	-	2,788
<b>Total Net Assets</b>	<b>545,600</b>	<b>44,169</b>	<b>-</b>	<b>2,788</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 621,346</b>	<b>\$ 71,113</b>	<b>\$ 7,799</b>	<b>\$ 99,520</b>

<u>Mallard Home</u>	<u>Respite And Personal Care Attendant</u>	<u>Early Intervention</u>	<u>Total All Funds</u>
\$ 140	\$ -	\$ -	\$ 322,496
-	-	-	15,281
26,011	10,814	18,371	183,576
-	-	30	83
-	-	-	99,870
8,438	-	7,698	68,737
122,485	-	11,927	631,306
(104,005)	-	(12,994)	(477,835)
8,000	-	-	43,138
-	-	-	7,441
-	-	400	3,000
<u>\$ 61,069</u>	<u>\$ 10,814</u>	<u>\$ 25,432</u>	<u>\$ 897,093</u>

\$ 4,503	\$ 148	\$ 20,434	\$ 47,771
-	7,675	-	68,737
510	213	614	3,339
6,675	2,778	4,384	91,035
49,381	-	-	93,654
<u>61,069</u>	<u>10,814</u>	<u>25,432</u>	<u>304,536</u>
-	-	-	445,730
-	-	-	146,827
-	-	-	<u>592,557</u>
<u>\$ 61,069</u>	<u>\$ 10,814</u>	<u>\$ 25,432</u>	<u>\$ 897,093</u>

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA**  
**COMBINING SCHEDULE OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2003**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2002**  
**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	\$ -	\$ 476,242	\$ 41,458	\$ -	\$ 1,617,376
Charges For Services	-	41,440	-	121,218	13,477
Contributions	24,974	-	-	-	-
United Way Allocation	198,597	-	-	-	-
Membership Dues	50,293	-	-	-	-
Contributions and Net Revenues from Special Events					
Contributions	46,841	-	-	-	-
Special Event Revenue	120,000	-	-	-	-
Costs of Direct Benefit to Donors	(120,307)	-	-	-	-
Other Revenues	6,667	72	-	2,238	-
Total support and revenue	<u>327,065</u>	<u>517,754</u>	<u>41,458</u>	<u>123,456</u>	<u>1,630,853</u>
<b>Expenses</b>					
Depreciation and Amortization	2,499	27,337	2,166	-	15,453
Dues and Subscriptions	1,549	1,700	135	-	3,240
Food	2,828	869	69	-	1,425
Insurance	4,172	32,277	2,556	22,597	67,847
Interest	89	836	67	-	1,561
Licenses and Inspections	61	437	35	-	2,735
Maintenance	3,759	7,053	368	177	14,420
Medical	33	1,806	143	-	4,208
Miscellaneous	361	1,374	109	-	1,929
Office Supplies and Postage	3,884	2,366	188	-	6,936
Payroll Taxes	4,945	26,900	2,130	1,142	106,169
Pension	1,097	5,964	467	-	15,615
Professional Fees	3,558	9,190	728	-	29,908
Public Awareness	4,840	2,553	202	-	13,716
Rent	9,127	8,897	705	-	20,044
Salaries	68,010	342,627	27,141	105,409	1,298,146
Supplies	527	1,711	443	6,299	4,933
Telephone	414	6,739	534	-	3,691
Training	491	2,285	181	-	10,996
Transportation	-	26,107	2,068	-	4,088
Travel	418	7,133	565	-	36,456
Utilities	1,735	5,782	458	-	10,608
Total Expenses	<u>114,397</u>	<u>521,943</u>	<u>41,458</u>	<u>135,624</u>	<u>1,674,124</u>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	212,668	(4,189)	-	(12,168)	(43,271)

	<u>Mallard Home</u>	<u>Respite And Personal Care Attendant</u>	<u>Early Intervention</u>	<u>Total June 30</u>	
				<u>2003</u>	<u>2002</u>
\$	286,759	\$ 69,759	\$ 255,025	\$ 2,746,619	\$ 2,646,669
	17,574	-	35,139	228,848	219,790
	-	-	-	24,974	55,716
	-	-	-	198,597	174,763
	-	-	-	50,293	94,236
	-	-	-	46,841	-
	-	-	-	120,000	-
	-	-	-	(120,307)	-
	-	-	2,813	11,790	1,270
	<u>304,333</u>	<u>69,759</u>	<u>292,977</u>	<u>3,307,655</u>	<u>3,192,444</u>
	8,726	599	1,009	57,789	68,181
	556	157	929	8,266	6,748
	9,354	59	714	15,318	17,892
	20,942	11,748	6,621	168,760	133,645
	3,567	157	130	6,407	15,288
	1,013	609	156	5,046	6,154
	6,555	847	5,239	38,418	69,814
	1,551	363	112	8,216	10,720
	27,223	81	1,766	32,843	8,716
	1,048	810	2,255	17,487	23,683
	12,692	5,610	7,834	167,422	186,321
	2,104	1,215	2,736	29,198	28,360
	9,227	1,343	148,079	202,033	142,783
	664	1,477	857	24,309	26,838
	3,253	529	12,952	55,507	55,943
	152,570	68,671	100,644	2,163,218	2,273,831
	5,539	150	639	20,241	3,005
	971	717	4,009	17,075	18,360
	42,449	278	2,384	59,064	60,996
	2,655	-	694	35,612	28,654
	2,504	835	2,145	50,056	60,619
	6,355	909	4,486	30,333	27,855
	<u>321,518</u>	<u>97,164</u>	<u>306,390</u>	<u>3,212,618</u>	<u>3,274,406</u>
	(17,185)	(27,405)	(13,413)	95,037	(81,962)

(Continued)

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
 COMBINING SCHEDULE OF ACTIVITIES (CONCLUDED)  
 FOR THE YEAR ENDED JUNE 30, 2003  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2002  
 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	\$ -	\$ -	\$ -	\$ 12,168	\$ 36,580
Operating Transfers (Out)	(87,127)	(19,624)	-	-	-
Total Other Financing Sources (Uses)	<u>(87,127)</u>	<u>(19,624)</u>	<u>-</u>	<u>12,168</u>	<u>36,580</u>
<b>Increase (Decrease) in Net Assets</b>	125,541	(23,813)	-	-	(6,691)
<b>Net Assets at Beginning of Year</b>	<u>420,059</u>	<u>67,982</u>	<u>-</u>	<u>-</u>	<u>9,479</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 545,600</u>	<u>\$ 44,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,788</u>

<u>Mallard Home</u>	<u>Respite And Personal Care Attendant</u>	<u>Early Intervention</u>	<u>Total June 30</u>	
			<u>2003</u>	<u>2002</u>
\$ 17,185	\$ 27,405	\$ 13,413	\$ 106,751	\$ 252,996
-	-	-	(106,751)	(252,996)
<u>17,185</u>	<u>27,405</u>	<u>13,413</u>	<u>-</u>	<u>-</u>
-	-	-	95,037	(81,962)
<u>-</u>	<u>-</u>	<u>-</u>	<u>497,520</u>	<u>579,482</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 592,557</u>	<u>\$ 497,520</u>

**SUPPLEMENTARY INFORMATION -  
GRANT ACTIVITY**

**ASSOCIATION FOR RETARDED CITIZENS/OUACHITA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2003**

<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 Education Office of Special Educational Services Early Intervention Program	84.181A	65,194	47,651
Department of Housing and Urban Development City of Monroe CDBG Year 2002 Grant for Operational Independence	14.218	<u>15,000</u>	<u>15,000</u>
<b>TOTAL FEDERAL AWARDS</b>		<b>\$ <u>80,194</u></b>	<b>\$ <u>62,651</u></b>

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, 2003**

<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	000297	\$ 95,000	\$ 95,000
Adult Habilitation Program	000099	246,300	246,300
Supervised Independent Living	000078	<u>24,922</u>	<u>24,922</u>
<b>TOTAL STATE AWARDS</b>		<b>\$ <u>366,222</u></b>	<b>\$ <u>366,222</u></b>

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, 2003**

*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 Expenditures 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 Intergovern- mental Revenue
Adult Habilitation	\$ -	\$ 246,300	\$ -	\$ 229,942	\$ 476,242
Mallard Home	-	-	-	286,759	286,759
Respite/PCA	-	-	-	69,759	69,759
Supervised Apartments	15,000	24,922	-	1,577,454	1,617,376
Early Intervention	47,651	95,000	-	112,374	255,025
Vocational Rehabilitation	-	-	-	41,458	41,458
<b>TOTALS</b>	<u>\$ 62,651</u>	<u>\$ 366,222</u>	<u>\$ -</u>	<u>\$ 2,317,746</u>	<u>\$ 2,746,619</u>



Luffey  
Huffman  
& Monroe

(A Professional Accounting Corporation)  
CERTIFIED PUBLIC ACCOUNTANTS

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, 2003, and have issued our report thereon dated December 19, 2003. 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

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

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 Professional Accounting Corporation)

**December 19, 2003**