

**NATCHITOCHESS ASSOCIATION FOR
RETARDED CITIZENS, INC.
ADULT HABILITATION PROGRAM AND
SHELTERED WORKSHOP**

ANNUAL FINANCIAL REPORT

JUNE 30, 2010

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 2/16/11

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Annual Financial Report
June 30, 2010

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Adult Habilitation Program and Sheltered Workshop
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Johnson, Thomas & Cunningham

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Natchitoches Association for Retarded Citizens, Inc.
Natchitoches, LA 71457

We have audited the accompanying statement of financial position of the Natchitoches Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Natchitoches Association for Retarded Citizens, Inc.'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 the 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 Natchitoches Association for Retarded Citizens, Inc. as of June 30, 2010, 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 November 12, 2010, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Association taken as a whole. The accompanying financial information listed as "Supplementary Information" in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Information from the preceding year is reported on certain financial statements within this report. This information was taken from our report dated November 18, 2009, in which we expressed an unqualified opinion on the Association's statement of financial position.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

November 12, 2010

Natchitoches, Louisiana

FINANCIAL STATEMENTS

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Combined Statement of Financial Position
June 30, 2010

ASSETS:	
Cash	\$17,588
Revenue Receivable	8,923
Plant and Equipment, Net of Accumulated Depreciation of \$102,238	<u>27,597</u>
Total Assets	<u>\$54,108</u>
LIABILITIES:	
Accounts Payable	\$ 1,525
Payroll and Payroll Taxes Payable	<u>784</u>
Total Liabilities	<u>\$ 2,309</u>
NET ASSETS:	
Unrestricted	\$31,826
Temporarily Restricted	<u>19,973</u>
Total Net Assets	<u>\$51,799</u>
Total Liabilities & Net Assets	<u>\$54,108</u>

The accompanying notes are an integral part of this statement.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Combined Statement of Activities
Year Ended June 30, 2010

UNRESTRICTED NET ASSETS:

Support-	
Fees-	
Medicaid	\$211,608
State of Louisiana, Department of Health and Hospitals, Office for Citizens with Developmental Disabilities	3,164
Contract Work	49,966
Soft Drink Sales	3,576
Interest	0
Other	3,432
Contributed Capital-	
Net Assets Released from Restrictions-	
Federal Transit Administration Section 5310 Depreciation On Restricted Vans	<u>4,133</u>
Total Revenues, Gains, and Other Support	<u>\$275,879</u>
Expenses-	
Program Services	\$195,977
Management and General	<u>90,671</u>
Total Expenses	<u>\$286,648</u>
(Decrease) in Unrestricted Net Assets	<u>\$ (10,769)</u>
TEMPORARILY RESTRICTED NET ASSETS:	
Federal Transit Administration Sec 5310-	
Current Year Depreciation	<u>\$ (4,133)</u>
Decrease in Temporarily Restricted Net Assets	<u>\$ (4,133)</u>
(Decrease) in Net Assets	<u>\$ (14,902)</u>
Net Assets-Beginning of Year	<u>66,701</u>
Net Assets-End of Year	<u>\$ 51,799</u>

The accompanying notes are an integral part of this statement.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Combined Statement of Cash Flows
Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$(14,902)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities-	
Depreciation	6,542
(Increase)/Decrease in Receivables	948
Increase/(Decrease) in Accounts Payable	(312)
Increase/(Decrease) in Payroll and Payroll Taxes Payable	<u>(96)</u>
Net Cash from Operating Activities	\$ <u>(7,820)</u>
Net Decrease in Cash	\$ (7,820)
Cash-Beginning of Year	<u>25,408</u>
Cash-End of Year	\$ <u>17,588</u>

The accompanying notes are an integral part of this statement.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Combined Statement of Functional Expenses
Year Ended June 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES:			
Officers' Salaries	\$ 0	\$25,682	\$ 25,682
Client Salaries	23,644	0	23,644
Other Salaries	79,015	42,499	121,514
Payroll Taxes/Related Expenses	7,959	6,412	14,371
Workman's Compensation Insurance	<u>3,520</u>	<u>1,895</u>	<u>5,415</u>
Total Compensation and Related Expenses	<u>\$114,138</u>	<u>\$76,488</u>	<u>\$190,626</u>
OCCUPANCY EXPENSES:			
Rent	\$ 18,000	\$ 0	\$ 18,000
Repairs and Maintenance	8,313	0	8,313
Utilities	<u>4,481</u>	<u>0</u>	<u>4,481</u>
Total Occupancy Expenses	<u>\$ 30,794</u>	<u>\$ 0</u>	<u>\$ 30,794</u>
TRANSPORTATION EXPENSES:			
Fuel & Oil, Repairs & Maintenance	<u>\$ 16,509</u>	<u>\$ 0</u>	<u>\$ 16,509</u>
OTHER EXPENSES:			
Audit	\$ 5,850	\$ 0	\$ 5,850
Depreciation	4,252	2,290	6,542
Food	454	0	454
Insurance	6,834	3,680	10,514
Recreation	626	0	626
Postage	0	272	272
Repairs and Maintenance- Buildings & Grounds	45	24	69
Soft Drinks	3,446	0	3,446
Office Supplies	378	437	815
Telephone/Utilities	4,369	1,319	5,688
Other	<u>8,282</u>	<u>6,161</u>	<u>14,443</u>
Total Other Expenses	<u>\$ 34,536</u>	<u>\$14,183</u>	<u>\$ 48,719</u>
Total Functional Expenses	<u>\$195,977</u>	<u>\$90,671</u>	<u>\$286,648</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Notes to Financial Statements
June 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

The Natchitoches Association for Retarded Citizens, Inc., is a quasi-governmental, nonprofit organization incorporated March 31, 1981, whose purpose is to promote the general welfare of the mentally retarded, to encourage research related to mental retardation, to advise and aid parents in the solution of their problems, to develop a better understanding by the public of the problems of mental retardation, to cooperate with all agencies and professional groups in the furtherance of these ends, to associate with and support financially the State and National Associations to promote the common cause, to serve locally as a clearinghouse for gathering and providing information regarding the mentally retarded, and to solicit and receive funds for the accomplishment of the stated purposes.

The Association's Adult Habilitation Program and Sheltered Workshop have adopted Statement of Financial Accounting Standards Board ASC 958, the Association's Adult Habilitation Program and Sheltered Workshop are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association's Adult Habilitation Program and Sheltered Workshop are required to present a statement of cash flows. As permitted by this new statement, the Association has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

The Association operates two separate divisions. One, the Adult Habilitation Program, receives funding for one individual from the State of Louisiana, Department of Health and Hospitals, Office for Citizens with Developmental Disabilities and from Medicaid to provide adult day services for a maximum of 52 clients. The other division is the Natchitoches Sheltered Workshop. The Natchitoches Sheltered Workshop is totally self-supportive. Income to the Sheltered Workshop consists solely of revenues earned through contracts with private individuals and companies for the provision of services performed by the clients of the Workshop. No federal financial assistance of any type is received by the Natchitoches Sheltered Workshop.

B. Promises to Give:

Contributions are recognized when a donor makes a promise to give to the Association's Adult Habilitation Program and Sheltered Workshop that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are reported or as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Notes to Financial Statements
June 30, 2010

C. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Property, Plant, and Equipment:

Donations of property, plant, and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, the Association's Adult Habilitation Program and Sheltered Workshop report expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association's Adult Habilitation Program and Sheltered Workshop reclassify temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

E. Contributions:

The Association's Adult Habilitation Program and Sheltered Workshop have also elected, in 1995, to adopt 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 and/or nature of any donor restrictions.

F. Income Taxes:

The Natchitoches Association for Retarded Citizens, Inc.'s Adult Habilitation Program and Sheltered Workshop are exempt from income taxes under Internal Revenue Code Section 501(c)(3).

G. Cash and Cash Equivalents:

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. At June 30, 2010, the Association had no investments.

Natchitoches Association for Retarded Citizens, Inc.
 Adult Habilitation Program and Sheltered Workshop
 Notes to Financial Statements
 June 30, 2010

NOTE 2 RESTRICTIONS ON ASSETS

Restrictions on assets at June 30, 2010, relate to a van obtained by the Association through Section 5310 of the Federal Transit Act which provides for capital grants for the specific purpose of assistance in providing transportation services to meet the special needs of elderly and disabled persons for whom mass transportation services are unavailable, insufficient, or inappropriate. The program is administered by the Louisiana Department of Transportation and Development. The vans obtained with these funds must be used for transportation services to the elderly and disabled within the Association's service area. The Department of Transportation and Development must be immediately notified if the equipment is not used in the aforementioned manner or if it is withdrawn from service. Disposition of the vehicle must have DOTD approval and must be in conformance with the provisions of OMB Circular A-102, Attachment N. Dispositions must be at current market value and a portion of the funds received must be returned in proportion to the original percentage of Federal funds contributed.

It is the policy of the Association's Adult Habilitation Program to amortize the asset restricted over its estimated useful life using the straight-line method. Temporarily restricted assets at year end were \$19,973.

NOTE 3 CASH

Cash is summarized as follows:

Petty Cash	\$ 200
Demand Deposit Accounts	7,917
Interest Bearing Accounts	<u>9,471</u>
Total	<u>\$17,588</u>

At June 30, 2010, the carrying amount of the Association's cash deposits was \$17,388 and the bank's balance was \$24,669. This bank deposit balance was fully covered by FDIC Insurance.

NOTE 4 PLANT AND EQUIPMENT

All plant and equipment are stated at historical cost. Depreciation is charged as an expense against operations and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Furniture and Fixtures	5-7 years
Automobiles	5 years
Machinery and Equipment	5-7 years

Natchitoches Association for Retarded Citizens, Inc.
 Adult Habilitation Program and Sheltered Workshop
 Notes to Financial Statements
 June 30, 2010

A summary of plant and equipment at June 30, 2010, is presented below:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Furniture & Fixtures	\$ 53,117	\$ 50,900	\$ 2,217	\$1,199
Automobiles	70,497	45,117	25,380	5,343
Building & Equipment	<u>6,221</u>	<u>6,221</u>	<u>0</u>	<u>0</u>
Total	<u>\$129,835</u>	<u>\$102,238</u>	<u>\$27,597</u>	<u>\$6,542</u>

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When plant and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in activities.

NOTE 5 LEASE OBLIGATIONS

The Natchitoches Association for Retarded Citizens, Inc.'s Adult Habilitation Program and Sheltered Workshop rents its premises under an operating lease. The lease is for a one-year term ending on June 30, 2010, with an option for a one-year renewal.

Future minimum rental payments under this operating lease are \$18,000 for the fiscal year ending June 30, 2011.

The Natchitoches Association for Retarded Citizens, Inc.'s Adult Habilitation Program and Sheltered Workshop are not participating in any capital lease arrangements.

NOTE 6 EMPLOYEE RETIREMENT SYSTEMS

The Natchitoches Association for Retarded Citizens, Inc. does not have or sponsor an employee retirement plan. All employees of the Association's Adult Habilitation Program and Sheltered Workshop are covered by the Social Security System.

NOTE 7 COMPENSATED ABSENCES

The Association's Adult Habilitation Program and Sheltered Workshop employees are entitled to certain compensated absences based on their length of employment. Each salaried employee accrues leave according to the State Civil Service guidelines, based on length of service as follows:

Natchitoches Association for Retarded Citizens, Inc.
 Adult Habilitation Program and Sheltered Workshop
 Notes to Financial Statements
 June 30, 2010

<u>Full-Time Employment</u>	<u>Days Earned Per Year</u>
0-3 Years	12
3-5 Years	15
5-10 Years	18
10-15 Years	21
More Than 15 Years	24

These are considered personal leave days and may be used for any purpose the employee desires. No distinction is made between annual and sick leave. Leave earned in one fiscal year cannot be carried over to a subsequent year. Employees are also entitled to compensatory time on an hour-for-hour basis for approved overtime. Compensatory time not used in the fiscal period that it is earned cannot be carried over to the next fiscal year and will be forfeited.

Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid.

NOTE 8 LITIGATION

According to management, the Natchitoches Association for Retarded Citizens, Inc.'s Adult Habilitation Program and Sheltered Workshop were not involved in any litigation as of June 30, 2010.

NOTE 9 ECONOMIC DEPENDENCY

The Natchitoches Association for Retarded Citizens, Inc. receives the majority of its funding through the "waiver" program. Each client, up to a maximum of 52, must submit a request for services to be provided. Each month a bill is submitted that shows level of service, hours attended, by name for reimbursement. Reimbursement amounts vary by individual based on level of service provided. Any changes in the formula used to determine reimbursement based on level of service would effect the operations of the Association. Management is not aware of any actions that would reduce the amount of reimbursement for the next fiscal year.

NOTE 10 BOARD OF DIRECTORS

Members of the Board of Directors participate on a voluntary basis and receive no compensation for their services.

NOTE 11 RELATED PARTIES

There were no identified related party transactions.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Notes to Financial Statements
June 30, 2010

NOTE 12 SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 12, 2010, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Adult Habilitation Program
Statement of Financial Position
June 30, 2010
With Comparative Amounts as of June 30, 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
Cash	\$ 9,521	\$16,405
Receivables- Medicaid	8,923	9,870
Plant and Equipment, Net of Accumulated Depreciation for 2010 and 2009 of \$76,908 and \$71,483, respectively	<u>26,448</u>	<u>31,874</u>
Total Assets	<u>\$44,892</u>	<u>\$58,149</u>
LIABILITIES:		
Accounts Payable	\$ 869	\$ 1,224
Payroll Taxes Payable	<u>732</u>	<u>837</u>
Total Liabilities	<u>\$ 1,601</u>	<u>\$ 2,061</u>
NET ASSETS:		
Unrestricted	\$23,318	\$31,983
Temporarily Restricted	<u>19,973</u>	<u>24,105</u>
Total Net Assets	<u>\$43,291</u>	<u>\$56,088</u>
Total Liabilities & Net Assets	<u>\$44,892</u>	<u>\$58,149</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Adult Habilitation Program
Statement of Activities
Year Ended June 30, 2010
With Comparative Amounts from Year Ended June 30, 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS:		
Support-		
Fees-		
Medicaid	\$211,608	\$193,020
State of Louisiana, Department of Health and Hospitals, Office for Citizens with Developmental Disabilities	3,164	4,200
Interest	0	277
Other	3,328	5,844
Contributed Capital-		
Net Assets Released from Restrictions-		
Federal Transit Administration Section 5310 Depreciation on Restricted Vans	<u>4,133</u>	<u>4,133</u>
Total Revenues, Gains, and Other Support	<u>\$222,233</u>	<u>\$207,474</u>
Expenses-		
Program Services	\$151,419	\$150,912
Management and General	<u>79,478</u>	<u>79,146</u>
Total Expenditures	<u>\$230,897</u>	<u>\$230,058</u>
(Decrease) in Unrestricted Net Assets	\$ <u>(8,664)</u>	\$ <u>(22,584)</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Federal Transit Administration Sec 5310 Current Year Depreciation	\$ <u>(4,133)</u>	\$ <u>(4,133)</u>
Decrease in Temporarily Restricted Net Assets	\$ <u>(4,133)</u>	\$ <u>(4,133)</u>
(Decrease) in Net Assets	\$ (12,797)	\$ (26,717)
Net Assets-Beginning of Year	<u>56,088</u>	<u>82,805</u>
Net Assets-End of Year	<u>\$ 43,291</u>	<u>\$ 56,088</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Adult Habilitation Program
Statement of Cash Flows
Year Ended June 30, 2010
With Comparative Amounts from Year Ended June 30, 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$(12,797)	\$(26,717)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities-		
Depreciation	5,425	5,437
(Increase)/Decrease in Receivables	948	1,777
Increase/(Decrease) in Accounts Payable	(355)	(1,026)
Increase/(Decrease) in Payroll Taxes Payable	<u>(105)</u>	<u>(15)</u>
Net Cash from Operating Activities	\$ <u>(6,884)</u>	\$ <u>(20,544)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of Equipment	\$ <u>0</u>	\$ <u>(1,232)</u>
Net Cash Flows from Capital and Related Financing Activities	\$ <u>0</u>	\$ <u>(1,232)</u>
Net (Decrease) in Cash	\$ (6,884)	\$(21,776)
Cash-Beginning of Year	<u>16,405</u>	<u>38,181</u>
Cash-End of Year	\$ <u>9,521</u>	\$ <u>16,405</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Adult Habilitation Program
Statement of Functional Expenses
Year Ended June 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES:			
Officers' Salaries	\$ 0	\$25,682	\$ 25,682
Other Salaries	73,032	39,276	112,308
Payroll Taxes/Related Expenses	7,889	6,375	14,264
Workman's Compensation Insurance	<u>3,520</u>	<u>1,895</u>	<u>5,415</u>
Total Compensation and Related Expenses	<u>\$ 84,441</u>	<u>\$73,228</u>	<u>\$157,669</u>
OCCUPANCY EXPENSES:			
Rent	\$ 18,000	\$ 0	\$ 18,000
Repairs and Maintenance	8,313	0	8,313
Utilities	<u>4,481</u>	<u>0</u>	<u>4,481</u>
Total Occupancy Expenses	<u>\$ 30,794</u>	<u>\$ 0</u>	<u>\$ 30,794</u>
TRANSPORTATION EXPENSES:			
Fuel & Oil, Repairs & Maintenance	<u>\$ 16,509</u>	<u>\$ 0</u>	<u>\$ 16,509</u>
OTHER EXPENSES:			
Audit	\$ 5,850	\$ 0	\$ 5,850
Depreciation	3,526	1,899	5,425
Postage	0	228	228
Insurance	6,834	3,680	10,514
Office Supplies	378	0	378
Telephone	1,920	0	1,920
Other	<u>1,167</u>	<u>443</u>	<u>1,610</u>
Total Other Expenses	<u>\$ 19,675</u>	<u>\$ 6,250</u>	<u>\$ 25,925</u>
Total Functional Expenses	<u>\$151,419</u>	<u>\$79,478</u>	<u>\$230,897</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Sheltered Workshop
Statement of Financial Position
June 30, 2010
With Comparative Amounts as of June 30, 2009

	<u>2010</u>	<u>2009</u>
ASSETS:		
Cash	\$8,067	\$ 9,003
Plant and Equipment, Net of Accumulated Depreciation for 2010 and 2009 of \$25,328 and \$24,211, respectively	<u>1,149</u>	<u>2,266</u>
Total Assets	<u>\$9,216</u>	<u>\$11,269</u>
LIABILITIES:		
Accounts Payable	\$ 656	\$ 613
Payroll Taxes Payable	<u>52</u>	<u>43</u>
Total Liabilities	\$ 708	\$ 656
NET ASSETS:		
Unrestricted	<u>8,508</u>	<u>10,613</u>
Total Liabilities and Net Assets	<u>\$9,216</u>	<u>\$11,269</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Sheltered Workshop
Statement of Activities
Year Ended June 30, 2010
With Comparative Amounts from Year Ended June 30, 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS:		
Support-		
Contract Work	\$49,966	\$46,114
Soft Drink Sales	3,576	3,166
Other	104	352
Contributed Capital-Local	<u>0</u>	<u>900</u>
Total Revenues, Gains, and Other Support	<u>\$53,646</u>	<u>\$50,532</u>
Expenses-		
Program Services	\$44,558	\$45,397
Management and General	<u>11,193</u>	<u>10,191</u>
Total Expenses	<u>\$55,751</u>	<u>\$55,588</u>
(Decrease) in Net Assets	\$ (2,105)	\$ (5,056)
Net Assets-Beginning of Year	<u>10,613</u>	<u>15,669</u>
Net Assets-End of Year	<u>\$ 8,508</u>	<u>\$10,613</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Sheltered Workshop
Statement of Cash Flows
Year Ended June 30, 2010
With Comparative Amounts from Year Ended June 30, 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$(2,105)	\$ (5,056)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities-		
Depreciation	1,117	1,117
Increase/(Decrease) in Accounts Payable	43	(87)
Increase/(Decrease) in Payroll Taxes Payable	<u>9</u>	<u>1</u>
Net Cash from Operating Activities	\$ <u>(936)</u>	\$ <u>(4,025)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed Equipment	\$ <u>0</u>	\$ <u>(900)</u>
Net Cash from Investing Activities	\$ <u>0</u>	\$ <u>(900)</u>
Net (Decrease) in Cash	\$ (936)	\$ (4,925)
Cash-Beginning of Year	<u>9,003</u>	<u>13,928</u>
Cash-End of Year	<u>\$ 8,067</u>	<u>\$ 9,003</u>

See accountant's report on supplementary information.

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Sheltered Workshop
Statement of Functional Expenses
Year Ended June 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES:			
Client Salaries	\$23,644	\$ 0	\$23,644
Other Salaries	5,983	3,223	9,206
Payroll Taxes/Related Expenses	<u>70</u>	<u>37</u>	<u>107</u>
Total Compensation and Related Expenses	<u>\$29,697</u>	<u>\$ 3,260</u>	<u>\$32,957</u>
OTHER EXPENSES:			
Depreciation	\$ 726	\$ 391	\$ 1,117
Food	454	0	454
Telephone & Utilities	2,449	1,319	3,768
Postage	0	44	44
Repairs and Maintenance-			
Building and Grounds	45	24	69
Office Supplies	0	437	437
Soft Drinks	3,446	0	3,446
Recreation	626	0	626
Other	<u>7,115</u>	<u>5,718</u>	<u>12,833</u>
Total Other Expenses	<u>\$14,861</u>	<u>\$ 7,933</u>	<u>\$22,794</u>
Total Functional Expenses	<u>\$44,558</u>	<u>\$11,193</u>	<u>\$55,751</u>

See accountant's report on supplementary information.

INTERNAL CONTROL AND COMPLIANCE

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

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

To the Board of Directors of
Natchitoches Association for Retarded Citizens, Inc.
Natchitoches, LA 71457

We have audited the financial statements of Natchitoches Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 12, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Natchitoches Association for Retarded Citizens, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Natchitoches Association for Retarded Citizens, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Natchitoches Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, Louisiana Legislative Auditor, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

November 12, 2010
Natchitoches, Louisiana

Natchitoches Association for Retarded Citizens, Inc.
Adult Habilitation Program and Sheltered Workshop
Board of Directors
June 30, 2010

President	Patricia Roshto
Vice-President	Idell W. Snowden
Secretary/Treasurer	Wayne King
Board Members	W. D. Braxton
	Effie Benjamin
	Herbert V. Baptiste, Sr.
	Rev. Ardunol Brinson
Director	Laura Thomas