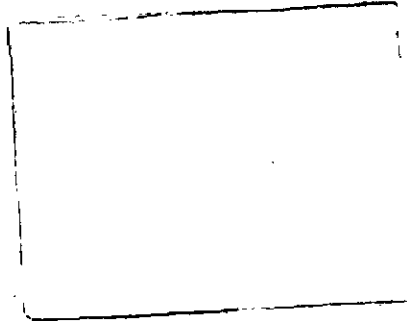


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THE ARC OF MOREHOUSE

**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

THE ARC OF MOREHOUSE

JUNE 30, 2004

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REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

Luffey
Huffman
& Monroe

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

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

INDEPENDENT AUDITORS' REPORT

**Board of Directors
The ARC of Morehouse
Bastrop, Louisiana**

We have audited the accompanying statement of financial position of **The ARC of Morehouse** (a nonprofit organization - the Association) as of June 30, 2004, and the accompanying 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 of 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 1, 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.

**Board of Directors
The ARC of Morehouse**

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as Supplemental Schedules in the accompanying Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Association. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



(A Professional Accounting Corporation)

November 1, 2004

**THE ARC OF MOREHOUSE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004**

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 172,213	\$ -	\$ 172,213
Investments	80,158	-	80,158
Accounts Receivable	211,296	2,697	213,993
Prepaid Assets	13,866	-	13,866
Fixed Assets	1,008,828	33,344	1,042,172
Accumulated Depreciation	<u>(502,640)</u>	<u>(33,344)</u>	<u>(535,984)</u>
TOTAL ASSETS	\$ <u>983,721</u>	\$ <u>2,697</u>	\$ <u>986,418</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ 4,691	\$ -	\$ 4,691
Accrued Liabilities	<u>64,733</u>	<u>-</u>	<u>64,733</u>
Total Liabilities	69,424	-	69,424
Net Assets			
Temporarily Restricted	-	2,697	2,697
Unrestricted	<u>914,297</u>	<u>-</u>	<u>914,297</u>
Total Net Assets	<u>914,297</u>	<u>2,697</u>	<u>916,994</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>983,721</u>	\$ <u>2,697</u>	\$ <u>986,418</u>

The accompanying notes are an integral part of this financial statement.

**THE ARC OF MOREHOUSE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support, Revenue and Gains			
Intergovernmental Revenue	\$ 1,932,660	\$ -	\$ 1,932,660
Program Receipts	361,457	-	361,457
United Fund	9,673	2,697	12,370
Donations	191	-	191
Memberships	3,850	-	3,850
Interest	2,576	-	2,576
Miscellaneous	1,435	-	1,435
Net assets released from restrictions	10,553	(10,553)	-
Total Support, Revenue and Gains	<u>2,322,395</u>	<u>(7,856)</u>	<u>2,314,539</u>
Expenses			
Program Services			
Adult Habilitation	371,201	-	371,201
Contract Services	134,120	-	134,120
Supported Living	845,931	-	845,931
East Morehouse Community Home	276,592	-	276,592
Crossett Road Community Home	285,461	-	285,461
Total of Program Services	<u>1,913,305</u>	<u>-</u>	<u>1,913,305</u>
Supporting Services			
General and Administrative	321,534	-	321,534
Total Expenses	<u>2,234,839</u>	<u>-</u>	<u>2,234,839</u>
Increase (Decrease) in Net Assets	87,556	(7,856)	79,700
Net Assets at Beginning of Year	<u>826,741</u>	<u>10,553</u>	<u>837,294</u>
NET ASSETS AT END OF YEAR	<u>\$ 914,297</u>	<u>\$ 2,697</u>	<u>\$ 916,994</u>

The accompanying notes are an integral part of this financial statement.

**THE ARC OF MOREHOUSE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004**

	Program		
	General and Administrative	Adult Habilitation (Day) Program	Contract Services
Salaries	\$ -	\$ 270,740	\$ 119,106
Payroll Taxes and Fringe Benefits	-	40,987	4,035
Total Salaries and Related Expenses	-	311,727	123,141
Consultants	-	35	-
Data Processing	-	1,376	-
Dues and Subscriptions	-	1,408	-
Food and Client Needs	1,196	9,113	1,902
Insurance	-	20,275	339
Interest	-	-	-
Maintenance	-	43,893	265
Leases	-	12	-
Office	336	2,790	-
Postage	-	448	-
Professional Fees	-	3,716	-
Public Awareness	300	773	883
Supplies	2,081	4,879	6,924
Taxes and Licenses	38	1,051	-
Telephone	-	3,892	-
Training	-	27	-
Travel and Conventions	-	1,499	-
Utilities	-	6,789	-
Total	3,951	413,703	133,454
Depreciation	22,590	16,301	666
Functional expenses before reallocation	26,541	430,004	134,120
Reallocation of general and administrative	294,993	(58,803)	-
TOTAL FUNCTIONAL EXPENSES	\$ 321,534	\$ 371,201	\$ 134,120

The accompanying notes are an integral part of this financial statement.

Services

Supported Living	Residential Services		Total
	East Morehouse	Crossett Road	
\$ 797,764	\$ 153,612	\$ 152,891	\$ 1,494,113
129,235	22,587	23,806	220,650
926,999	176,199	176,697	1,714,763
175	2,044	16,191	18,445
3,214	1,033	1,063	6,686
2,343	660	679	5,090
2,463	99,320	94,001	207,995
9,126	7,038	6,764	43,542
-	599	-	599
7,105	5,930	7,387	64,580
-	10	10	32
4,585	1,669	1,741	11,121
1,016	333	342	2,139
6,800	2,185	2,249	14,950
1,805	580	597	4,938
4,355	5,407	3,776	27,422
3,038	1,635	1,439	7,201
4,981	2,774	2,881	14,528
65	22	23	137
6,760	1,211	1,193	10,663
2,118	6,313	5,236	20,456
986,948	314,962	322,269	2,175,287
176	8,723	11,096	59,552
987,124	323,685	333,365	2,234,839
(141,194)	(47,093)	(47,904)	-
\$ 845,931	\$ 276,592	\$ 285,461	\$ 2,234,839

**THE ARC OF MOREHOUSE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

Cash Flows From Operating Activities	
Increase in net assets	\$ 79,700
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	59,552
Changes in assets and liabilities:	
Accounts receivable	(47,128)
Prepays and other current assets	(2,122)
Accounts payable	(7,631)
Accrued liabilities	10,798
Net cash provided by operating activities	<u>93,169</u>
Cash Flows From Investing Activities	
Maturity of investments	28,350
Additions to property and equipment	<u>(36,537)</u>
Net cash used by investing activities	(8,187)
Cash Flow From Financing Activities	
Payment on long-term debt	<u>(24,868)</u>
Net cash used in financing activities	<u>(24,868)</u>
Net Increase in Cash and Cash Equivalents	60,114
Beginning Cash and Cash Equivalents	<u>112,099</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 172,213</u>
Non-Cash Investing Activities	
Purchase of property and equipment	<u>\$ (24,868)</u>
Supplemental Cash Flow Information	
Interest Paid	<u>\$ 599</u>

The accompanying notes are an integral part of this financial statement.

**THE ARC OF MOREHOUSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

Note 1 - Description of Organization

The ARC of Morehouse (the Association) is a nonprofit voluntary health and welfare association chartered in 1958 to promote the general welfare of mentally retarded persons residing in Morehouse Parish.

Note 2 - Summary of Significant Accounting Policies

A. Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Associations," 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) based upon the existence or absence of donor-imposed restrictions. The Association has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

The Association has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 16, 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 \$2,697 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.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

C. Cash and Cash Equivalents

The Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**THE ARC OF MOREHOUSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

D. Fixed Assets

Fixed assets are recorded at actual or historical cost. Donated assets are recorded at fair market value on the date of donation. Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. The Association has a policy to capitalize fixed assets costing more than \$500. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and the gain or loss is included in operations.

Depreciation of buildings and equipment is computed by the straight-line method over the following estimated service lives:

	<u>Years</u>
Buildings and Improvements	15-30
Furniture and Equipment	5-10
Vehicles	3-5

E. Support and Revenues

Revenues received under government grant programs are recorded as revenues when the Association has incurred expenditures in compliance with the specific restrictions. Donations are considered to be available for unrestricted use unless specifically restricted by the donor.

F. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Various statistical bases allocate other expenses that are common to several functions.

G. Programs

The Association's principal programs and primary funding sources are:

Adult Habilitation (Day Program) - The Adult Habilitation funds are used to train clients in vocational and prevocational activities and supportive services.

Contract Services - Contract Services income is derived from services by clients which include janitorial and other contracts.

Supported Living - Supported Living income is received from the Louisiana Department of Health and Hospitals. This program, similar to the Community

**THE ARC OF MOREHOUSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

Homes, helps the individual clients become more independent by providing support and training in their residences within the community.

Residential Services- Residential Services' income is received 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.

H. Tax-Exempt Status

The Association is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and, therefore, has no provision for Federal income taxes. Contributions to the Association are tax deductible within the limitations prescribed by the Code.

I. 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.

Note 3 - Fixed Assets

Fixed assets consisted of the following at June 30, 2004:

Buildings	\$ 473,795
Equipment	195,888
Vehicles	302,046
Land	16,220
Improvements	54,223
Less: Accumulated Depreciation	<u>(535,984)</u>
TOTAL FIXED ASSETS	<u>\$ 506,188</u>

Included in vehicles above is one vehicle valued at \$33,344 acquired through Federal grants in previous years. The Association retains title to this vehicle as long as it is kept, maintained and used for the Association's designated purpose. This vehicle is not to be sold or disposed of during its useful life, 5 years or 100,000 miles, without the grantor's permission. In addition, the vehicle, even though fully depreciated, cannot be released from restriction unless the grantor gives their permission. Therefore, the vehicle less related accumulated depreciation, is shown as temporarily restricted. During fiscal 2004, the

**THE ARC OF MOREHOUSE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004**

Organization received permission from the grantor to transfer one fully depreciated vehicle from temporarily restricted to unrestricted.

Depreciation charged to expense in 2004 was \$59,552

Note 4 – Allocation of General Administrative 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 in proportion to the direct expenses of the program to total direct expenses of all the programs. The following is the detail of the \$294,993 of general and administrative expenses that have been reclassified from program services on the Statement of Functional Expenses:

Data Processing	\$ 6,686
Dues and Subscriptions	4,126
Food	1,819
Insurance	11,063
Maintenance	10,544
Office Expense	9,500
Payroll Taxes and Fringe Benefits	25,839
Postage	2,113
Professional Fees	15,811
Public Awareness	3,754
Salaries	185,150
Supplies	3,984
Telephone	8,088
Travel and Conventions	2,111
Utilities	4,405
TOTAL	\$ <u>294,993</u>

Note 5 - Significant Concentrations of Risk

The Association's cash and cash investments are on deposit with several Federally insured financial institutions. The bank balance of these funds totaled \$238,106 at year-end, all of which is covered by Federal Deposit Insurance.

The Association receives approximately 83% of total revenue and support from various state agencies.

SUPPLEMENTARY INFORMATION

THE ARC OF MOREHOUSE
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2004

	Program		
	Local Fund	Adult Habilitation (Day) Program	Contract Services
ASSETS			
Cash and Cash Equivalents	\$ 171,764	\$ -	\$ -
Investments	80,158	-	-
Accounts Receivable	43	10,165	20,317
Prepaid Assets	12,104	1,506	200
Due From Other Funds	1,389,796	491,897	40,577
Fixed Assets	1,042,172	-	-
Accumulated Depreciation	(535,984)	-	-
	<u>\$ 2,160,053</u>	<u>\$ 503,568</u>	<u>\$ 61,094</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ (110)	\$ 867	\$ 718
Accrued Liabilities	2,733	10,676	3,759
Due To Other Funds	1,788,273	131,840	13,971
Total Current Liabilities	<u>1,790,896</u>	<u>143,383</u>	<u>18,448</u>
Unrestricted Net Assets (Deficit)	369,157	358,134	42,646
Temporarily Restricted Net Assets	<u>-</u>	<u>2,051</u>	<u>-</u>
Total Net Assets (Deficit)	<u>369,157</u>	<u>360,185</u>	<u>42,646</u>
TOTAL LIABILITIES AND NET ASSETS			
	<u>\$ 2,160,053</u>	<u>\$ 503,568</u>	<u>\$ 61,094</u>

SCHEDULE 1

Services

<u>Supported Living</u>	<u>Residential Services</u>			<u>Early Intervention</u>	<u>Total</u>
	<u>East Morehouse</u>	<u>Crossett Road</u>			
\$ -	\$ 280	\$ 169	\$ -	\$ 172,213	
-	-	-	-	80,158	
127,347	28,402	27,719	-	213,993	
(1,253)	1,271	66	(28)	13,866	
605,854	152,891	274,229	13,535	2,968,779	
-	-	-	-	1,042,172	
-	-	-	-	(535,984)	
<u>\$ 731,948</u>	<u>\$ 182,844</u>	<u>\$ 302,183</u>	<u>\$ 13,507</u>	<u>\$ 3,955,197</u>	
\$ 1,666	\$ 956	\$ 640	\$ (46)	\$ 4,691	
36,333	6,454	4,778	-	64,733	
<u>589,174</u>	<u>108,509</u>	<u>323,459</u>	<u>13,553</u>	<u>2,968,779</u>	
627,173	115,919	328,877	13,507	3,038,203	
104,775	66,279	(26,694)	-	914,297	
-	646	-	-	2,697	
<u>104,775</u>	<u>66,925</u>	<u>(26,694)</u>	<u>-</u>	<u>916,994</u>	
<u>\$ 731,948</u>	<u>\$ 182,844</u>	<u>\$ 302,183</u>	<u>\$ 13,507</u>	<u>\$ 3,955,197</u>	

**THE ARC OF MOREHOUSE
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Program</u>		
	<u>Local Fund</u>	<u>Adult Habilitation (Day) Program</u>	<u>Contract Services</u>
Revenues and Other Support			
Intergovernmental Revenue	\$ -	\$ 249,029	\$ 201
Program Receipts	-	148,269	146,717
United Fund	-	9,406	-
Donations	191	-	-
Memberships	3,850	-	-
Interest	1,914	-	-
Miscellaneous	202	-	1,233
Total Revenues and Other Support	<u>6,157</u>	<u>406,704</u>	<u>148,151</u>
Expenses			
Program Services			
Adult Habilitation	-	413,703	-
Contract Services	-	-	133,454
Supported Living	-	-	-
East Morehouse Community Home	-	-	-
Crossett Road Community Home	-	-	-
Early Intervention	-	-	-
Total Program Services	<u>-</u>	<u>413,703</u>	<u>133,454</u>
Management and General	<u>3,951</u>	<u>-</u>	<u>-</u>
Total Expenses before Depreciation	3,951	413,703	133,454
Depreciation	<u>59,552</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>63,503</u>	<u>413,703</u>	<u>133,454</u>
Increase (Decrease) in Net Assets From Operations	(57,346)	(6,999)	14,697
Other Sources (Uses)			
Operating Transfers In	53,025	-	-
Operating Transfers Out	(32,601)	(21,991)	-
Total Other Sources	<u>20,424</u>	<u>(21,991)</u>	<u>-</u>
Increase (Decrease) in Net Assets	(36,922)	(28,990)	14,697
Net Assets at Beginning of Year	<u>406,079</u>	<u>389,175</u>	<u>27,949</u>
NET ASSETS AT END OF YEAR	<u>\$ 369,157</u>	<u>\$ 360,185</u>	<u>\$ 42,646</u>

SCHEDULE 2

Services

Supported Living	Residential Services			Early Intervention	Total
	East Morehouse	Crossett Road			
\$ 1,109,038	\$ 277,138	\$ 308,432	\$ (11,178)	\$ 1,932,660	
-	40,735	25,736	-	361,457	
-	2,964	-	-	12,370	
-	-	-	-	191	
-	-	-	-	3,850	
662	-	-	-	2,576	
-	-	-	-	1,435	
<u>1,109,700</u>	<u>320,837</u>	<u>334,168</u>	<u>(11,178)</u>	<u>2,314,539</u>	
-	-	-	-	413,703	
-	-	-	-	133,454	
986,948	-	-	-	986,948	
-	314,962	-	-	314,962	
-	-	322,100	-	322,100	
-	-	-	-	-	
<u>986,948</u>	<u>314,962</u>	<u>322,100</u>	<u>-</u>	<u>2,171,167</u>	
-	-	-	-	3,951	
986,948	314,962	322,100	-	2,175,118	
-	-	-	-	59,552	
<u>986,948</u>	<u>314,962</u>	<u>322,100</u>	<u>-</u>	<u>2,234,670</u>	
122,752	5,875	12,068	(11,178)	79,869	
-	-	-	32,601	85,626	
(3,530)	(25,623)	(2,050)	-	(85,795)	
<u>(3,530)</u>	<u>(25,623)</u>	<u>(2,050)</u>	<u>32,601</u>	<u>(169)</u>	
119,222	(19,748)	10,018	21,423	79,700	
(14,447)	86,673	(36,712)	(21,423)	837,294	
<u>\$ 104,775</u>	<u>\$ 66,925</u>	<u>\$ (26,694)</u>	<u>\$ -</u>	<u>\$ 916,994</u>	

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

**Board of Directors
The ARC of Morehouse
Bastrop, Louisiana**

We have audited the financial statements of The ARC of Morehouse (the Association) as of and for the year ended June 30, 2004 and have issued our report thereon dated November 1, 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 a material weakness. 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

**Board of Directors
The ARC of Morehouse**

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 that we consider material weaknesses.

This report is intended solely for the information and use of management of the Association, its oversight agency, 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)

November 1, 2004

**The ARC of Morehouse
Status of Prior Year Findings
June 30, 2004**

The following is a summary of the status of findings in the Schedule of Findings and Questioned Costs issued in connection with the examination of the financial statements of the ARC of Morehouse as of June 30, 2004.

There were no audit findings for the year ended June 30, 2003.