

**NATCHITOCHESS ASSOCIATION FOR  
RETARDED CITIZENS, INC.**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2018**

Natchitoches Association for Retarded Citizens, Inc.  
Annual Financial Report  
June 30, 2018

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June 30, 2018

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# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

#### **Report on the Financial Statements**

We have reviewed the accompanying financial statements of the Natchitoches Association for Retarded Citizens, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and related directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Information from the preceding year is reported in certain financial statements within this report. The information was taken from our review report dated December 5, 2017.

*Other Reporting Requirements*

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated November 26, 2018, on the results of our agreed-upon procedures on pages 31 through 33. In addition, pages 34 through 35 present the Louisiana Attestation Questionnaire.

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

November 26, 2018  
Natchitoches, Louisiana

## FINANCIAL STATEMENTS

Natchitoches Association for Retarded Citizens, Inc.  
Combined Statement of Financial Position  
June 30, 2018

ASSETS:	
Cash	\$41,100
Revenue Receivable	10,557
Other Receivable	2,383
Plant and Equipment, Net of Accumulated Depreciation of \$53,690	<u>808</u>
Total Assets	<u>\$54,848</u>
LIABILITIES:	
Accounts Payable	\$ 1,053
Payroll Taxes Payable	2,215
Other Payables	<u>2,383</u>
Total Liabilities	<u>\$ 5,651</u>
NET ASSETS:	
Unrestricted	<u>\$49,197</u>
Total Liabilities & Net Assets	<u>\$54,848</u>

The accompanying notes are an integral part of this statement.

Natchitoches Association for Retarded Citizens, Inc.  
Combined Statement of Activities  
Year Ended June 30, 2018

UNRESTRICTED NET ASSETS:

Support-	
Fees-	
Medicaid	\$163,598
Louisiana Family Services	13,929
Contract Work	31,916
Soft Drink Sales	215
Interest/Other	<u>4,305</u>
Total Revenues, Gains, and Other Support	<u>\$213,963</u>
Expenses-	
Program Services	\$171,093
Management and General	<u>51,509</u>
Total Expenses	<u>\$222,602</u>
Decrease in Unrestricted Net Assets	\$ (8,639)
Net Assets-Beginning of Year	<u>57,836</u>
Net Assets-End of Year	<u>\$ 49,197</u>

The accompanying notes are an integral part of this statement.

Natchitoches Association for Retarded Citizens, Inc.  
Combined Statement of Cash Flows  
Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (8,639)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities-	
Depreciation	361
(Increase)/Decrease in Receivables	(1,905)
Increase/(Decrease) in Accounts Payable	295
Increase/(Decrease) in Payroll Taxes and Other Payables	<u>(118)</u>
Net Cash Used by Operating Activities	<u>\$(10,006)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:	
Purchase of Assets	<u>\$ (395)</u>
Net Decrease in Cash	\$(10,401)
Cash-Beginning of Year	<u>51,501</u>
Cash-End of Year	<u>\$ 41,100</u>

The accompanying notes are an integral part of this statement.

Natchitoches Association for Retarded Citizens, Inc.  
Combined Statement of Functional Expenses  
Year Ended June 30, 2018

	Program Services	Management and General	Total
COMPENSATION AND RELATED EXPENSES:			
Client Salaries	\$ 9,400	\$ 0	\$ 9,400
Officer Salaries	0	30,188	30,188
Other Salaries	70,463	7,754	78,217
Payroll Taxes/Related Expenses	5,390	2,903	8,293
Workman's Compensation Insurance	<u>3,296</u>	<u>1,775</u>	<u>5,071</u>
Total Compensation and Related Expenses	<u>\$ 88,549</u>	<u>\$42,620</u>	<u>\$131,169</u>
OCCUPANCY EXPENSES:			
Rent	\$ 14,400	\$ 0	\$ 14,400
Repairs and Maintenance	900	316	1,216
Utilities	<u>6,163</u>	<u>1,222</u>	<u>7,385</u>
Total Occupancy Expenses	<u>\$ 21,463</u>	<u>\$ 1,538</u>	<u>\$ 23,001</u>
TRANSPORTATION EXPENSES:			
Fuel & Oil, Repairs & Maintenance	<u>\$ 11,673</u>	<u>\$ 0</u>	<u>\$ 11,673</u>
OTHER EXPENSES:			
Depreciation	\$ 235	\$ 126	\$ 361
Food	79	0	79
Insurance	9,027	4,861	13,888
Recreation	102	0	102
Postage	115	0	115
Repairs and Maintenance (Furniture/Equipment)	8,713	0	8,713
Office Supplies	1,276	1,319	2,595
Telephone/Utilities	2,328	0	2,328
Household Supplies	10,718	0	10,718
Janitorial Contract	7,520	0	7,520
Other	<u>9,295</u>	<u>1,045</u>	<u>10,340</u>
Total Other Expenses	<u>\$ 49,408</u>	<u>\$ 7,351</u>	<u>\$ 56,759</u>
Total Functional Expenses	<u>\$171,093</u>	<u>\$51,509</u>	<u>\$222,602</u>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

Natchitoches Association for Retarded Citizens, Inc.  
Notes to Financial Statements  
June 30, 2018

**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 has adopted Statement of Financial Accounting Standards Board ASC 958. 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. In addition, the Association is required to present a statement of cash flows.

The Association's Adult Habilitation Program receives funding from Louisiana Family Services and from Medicaid to provide adult day services for a maximum of 52 clients. The Association's Sheltered Workshop is a totally self-supportive program, with income consisting 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 Sheltered Workshop.

**B. Promises to Give:**

Contributions are recognized when a donor makes a promise to give to the Association 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.

**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.

Natchitoches Association for Retarded Citizens, Inc.  
Notes to Financial Statements  
June 30, 2018

**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 reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies 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 has elected to adopt FASB 958-605, "Not for Profit Entities – Revenue Recognition". Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. There were no donor-imposed restrictions during the year ended June 30, 2018.

**F. Income Taxes:**

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Therefore, no provision for income taxes has been made in the financial statements, but the Association is required to file an annual information tax return. The Association's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015 and beyond remain subject to examination by the Internal Revenue Service, generally for three years after filing.

**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, 2018, the Association had no investments. For the purposes of the statement of cash flows, cash includes amounts in demand deposit, interest-bearing deposits, and money market accounts.

**H. Basis of Accounting:**

The accompanying financial statements of the Association have been prepared in conformity with generally accepted accounting principles (GAAP) utilizing the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when they are incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Natchitoches Association for Retarded Citizens, Inc.  
Notes to Financial Statements  
June 30, 2018

**I. Functional Expenses:**

Functional expenses are allocated between program services and supporting services. Supporting Services include fundraising and general and administrative activities. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Association.

**J. Comparative Data:**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Association's financial position and results of operations.

**NOTE 2 RESTRICTIONS ON ASSETS**

None of the Association's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets under FASB ASC 958.

**NOTE 3 CASH AND CASH EQUIVALENTS**

The cash and cash equivalents of the Natchitoches Association for Retarded Citizens, Inc. are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Association will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Association that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Association's name.

At June 30, 2018, the Association had \$46,183 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance.

**NOTE 4 REVENUE RECEIVABLE**

Revenue Receivables at June 30, 2018 represent amounts due from the State of Louisiana, Medicaid program. The amount of receivables deemed to be uncollectible is not considered material; therefore, there has been no provision recorded for doubtful accounts

Natchitoches Association for Retarded Citizens, Inc.  
Notes to Financial Statements  
June 30, 2018

**NOTE 5 CAPITAL ASSETS**

All capital assets 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

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When capital assets 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.

A summary of capital assets at June 30, 2018, is presented below:

	Balance 6-30-17	Additions	Deletions	Balance 6-30-18
Fixed Assets, depreciated:				
Furniture and Fixtures	\$17,944	\$ 0	\$ 0	\$17,944
Automobiles	36,159	0	0	36,159
Machinery and Equipment	0	395	0	395
Total Fixed Assets	<u>\$54,103</u>	<u>\$395</u>	<u>\$ 0</u>	<u>\$54,498</u>
Accumulated Depreciation	<u>53,329</u>	<u>361</u>	<u>0</u>	<u>53,690</u>
Net Fixed Assets	<u>\$ 774</u>	<u>\$ 34</u>	<u>\$ 0</u>	<u>\$ 808</u>

For the year ending June 30, 2018, depreciation expense totaled \$361.

**NOTE 6 LINE OF CREDIT**

The Association has an open-ended line of credit with Bank of Montgomery in the amount of \$50,000, bearing interest at the rate of 2.5% above the Wall Street Journal prime rate, adjustable quarterly. At June 30, 2018, there was no outstanding balance on the line of credit. No principal or interest payments were made on the line of credit during the year ended June 30, 2018.

**NOTE 7 EMPLOYEE RETIREMENT SYSTEMS**

The Natchitoches Association for Retarded Citizens, Inc. does not have or sponsor an employee retirement plan. All employees of the Association are covered by the Social Security System.

Natchitoches Association for Retarded Citizens, Inc.  
Notes to Financial Statements  
June 30, 2018

**NOTE 8 LEASE OBLIGATIONS**

The Natchitoches Association for Retarded Citizens, Inc. rents its premises under an operating lease. The lease is for a one-year term ending on June 30, 2018, with an option for a one-year renewal.

Future minimum rental payments under this operating lease are \$14,400 for the fiscal year ending June 30, 2019.

The Natchitoches Association for Retarded Citizens, Inc. is not participating in any capital lease arrangements.

**NOTE 9 COMPENSATED ABSENCES**

The Association's 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:

<u>Full-Time Employment</u>	<u>Days Earned Per Year</u>
0-3 Years	12
3-5 Years	15
5-11 Years	18
10-16 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 paid.

**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.  
Notes to Financial Statements  
June 30, 2018

**NOTE 12 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 and hours attended, by client 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 or reduced number of clients would affect 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 13 LITIGATION**

At June 30, 2018, Natchitoches Association for Retarded Citizens, Inc. was a named defendant in one lawsuit. It is the opinion of the Association's legal counsel that any potential exposure to the Association will not exceed available insurance coverage; therefore, no accrued liability has been made in the financial statements.

**NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09 *Revenue from Contracts with Customers* as a new Topic, Accounting Standards Codification *Topic 606*. The ASU is intended to provide a more robust framework for addressing revenue issues, improving comparability of revenue recognition practices and improve disclosure requirements. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Deferral of the Effective Date*, which deferred the effective date of ASU No. 2014-09 by one year. This ASU is effective for annual reporting periods beginning after December 15, 2018, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The Association is currently evaluating the impact on the results of operations, financial condition and cash flows, and has not determined the impact on its financial statements at this time.

In March 2016, the FASB issued ASU No. 2016-02, *Leases*. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. This ASU is effective for annual reporting periods beginning after December 15, 2019, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The Association is currently evaluating the impact on the results of operations, financial condition and cash flows, and has not determined the impact on its financial statements at this time.

In August 2016, the FASB issue ASU No. 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about liquidity and availability of resources, expenses and investment return, and cash flows. ASU No. 2016-14 is effective for annual reporting periods beginning after December 15, 2017, and shall be applied retrospectively. Early adoption is permitted. The Association is currently evaluating the impact on the results of operations, financial condition and cash flows, and has not determined the impact on its financial statements at this time.

Natchitoches Association for Retarded Citizens, Inc.  
Notes to Financial Statements  
June 30, 2018

**NOTE 15 SUBSEQUENT EVENTS**

Management has evaluated events through November 26, 2018, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

Natchitoches Association for Retarded Citizens, Inc.  
Adult Habilitation Program  
Statement of Financial Position  
June 30, 2018  
With Comparative Amounts as of June 30, 2017

	<u>2018</u>	<u>2017</u>
ASSETS:		
Cash	\$17,317	\$25,824
Revenue Receivable-		
Medicaid	10,557	9,453
Other Receivable	2,383	1,582
Plant and Equipment, Net of Accumulated Depreciation for 2018 and 2017 of \$42,527	<u>0</u>	<u>0</u>
Total Assets	<u>\$30,257</u>	<u>\$36,859</u>
LIABILITIES:		
Accounts Payable	\$ 465	\$ 379
Payroll Taxes Payable	<u>2,082</u>	<u>2,946</u>
Total Liabilities	<u>\$ 2,547</u>	<u>\$ 3,325</u>
NET ASSETS:		
Unrestricted	<u>\$27,710</u>	<u>\$33,534</u>
Total Liabilities & Net Assets	<u>\$30,257</u>	<u>\$36,859</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Adult Habilitation Program  
Statement of Activities  
Year Ended June 30, 2018  
With Comparative Amounts from Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
UNRESTRICTED NET ASSETS:		
Support-		
Fees-		
Medicaid	\$163,598	\$166,339
Louisiana Family Services	13,929	14,868
Interest/Other	<u>437</u>	<u>43</u>
Total Revenues, Gains, and Other Support	<u>\$177,964</u>	<u>\$181,250</u>
Expenses-		
Program Services	\$139,102	\$144,342
Management and General	<u>45,651</u>	<u>44,724</u>
Total Expenditures	<u>\$184,753</u>	<u>\$189,066</u>
Increase (Decrease) in Unrestricted Net Assets	\$ <u>(6,789)</u>	\$ <u>(7,816)</u>
Transfers and Other Financing Sources	\$ <u>965</u>	\$ <u>4,258</u>
Increase (Decrease) in Net Assets	\$ (5,824)	\$ (3,558)
Net Assets-Beginning of Year	<u>33,534</u>	<u>37,092</u>
Net Assets-End of Year	<u>\$ 27,710</u>	<u>\$ 33,534</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Adult Habilitation Program  
Statement of Cash Flows  
Year Ended June 30, 2018  
With Comparative Amounts from Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (5,824)	\$ (3,558)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities-		
Depreciation	0	0
(Increase)/Decrease in Receivables	(1,905)	1,011
Increase/(Decrease) in Accounts Payable	86	(127)
Increase/(Decrease) in Payroll Taxes Payable	<u>(864)</u>	<u>212</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>(8,507)</u>	\$ <u>(2,462)</u>
Net Increase (Decrease) in Cash	\$ (8,507)	\$ (2,462)
Cash-Beginning of Year	<u>25,824</u>	<u>28,286</u>
Cash-End of Year	<u>\$17,317</u>	<u>\$25,824</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Adult Habilitation Program  
Statement of Functional Expenses  
Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES:			
Salaries	\$ 66,411	\$35,760	\$102,171
Payroll Taxes/Related Expenses	5,080	2,736	7,816
Workman's Compensation Insurance	<u>3,296</u>	<u>1,775</u>	<u>5,071</u>
Total Compensation and Related Expenses	<u>\$ 74,787</u>	<u>\$40,271</u>	<u>\$115,058</u>
OCCUPANCY EXPENSES:			
Rent	\$ 14,400	\$ 0	\$ 14,400
Repairs and Maintenance	312	0	312
Utilities	<u>3,894</u>	<u>0</u>	<u>3,894</u>
Total Occupancy Expenses	<u>\$ 18,606</u>	<u>\$ 0</u>	<u>\$ 18,606</u>
TRANSPORTATION EXPENSES:			
Fuel & Oil, Repairs & Maintenance	<u>\$ 10,306</u>	<u>\$ 0</u>	<u>\$ 10,306</u>
OTHER EXPENSES:			
Depreciation	\$ 0	\$ 0	\$ 0
Postage	115	0	115
Repairs and Maintenance (Furniture/Equipment)	8,411	0	8,411
Insurance	9,027	4,861	13,888
Office Supplies	966	519	1,485
Telephone	2,328	0	2,328
Household Supplies	7,200	0	7,200
Other	<u>7,356</u>	<u>0</u>	<u>7,356</u>
Total Other Expenses	<u>\$ 35,403</u>	<u>\$ 5,380</u>	<u>\$ 40,783</u>
Total Functional Expenses	<u>\$139,102</u>	<u>\$45,651</u>	<u>\$184,753</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Sheltered Workshop  
Statement of Financial Position  
June 30, 2018  
With Comparative Amounts as of June 30, 2017

	<u>2018</u>	<u>2017</u>
ASSETS:		
Cash	\$14,593	\$19,354
Plant and Equipment, Net of Accumulated Depreciation for 2018 and 2017 of \$11,163 and \$10,802, respectively	<u>808</u>	<u>774</u>
Total Assets	<u>\$15,401</u>	<u>\$20,128</u>
LIABILITIES:		
Accounts Payable	\$ 588	\$ 379
Payroll Taxes Payable	133	188
Other Payables	<u>2,383</u>	<u>1,582</u>
Total Liabilities	<u>\$ 3,104</u>	<u>\$ 2,149</u>
NET ASSETS:		
Unrestricted	<u>\$12,297</u>	<u>\$17,979</u>
Total Liabilities and Net Assets	<u>\$15,401</u>	<u>\$20,128</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Sheltered Workshop  
Statement of Activities  
Year Ended June 30, 2018  
With Comparative Amounts from Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
UNRESTRICTED NET ASSETS:		
Support-		
Contract Work	\$31,916	\$32,325
Soft Drink Sales	215	599
Other	<u>368</u>	<u>61</u>
Total Revenues, Gains, and Other Support	<u>\$32,499</u>	<u>\$32,985</u>
Expenses-		
Program Services	\$31,991	\$31,381
Management and General	<u>5,225</u>	<u>5,627</u>
Total Expenses	<u>\$37,216</u>	<u>\$37,008</u>
Increase (Decrease) in Net Assets	\$ (4,717)	\$ (4,023)
Transfers and Other Financing Sources	<u>(965)</u>	<u>(4,258)</u>
Increase (Decrease) in Net Assets	\$ (5,682)	\$ (8,281)
Net Assets-Beginning of Year	<u>17,979</u>	<u>26,260</u>
Net Assets-End of Year	<u>\$12,297</u>	<u>\$17,979</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Sheltered Workshop  
Statement of Cash Flows  
Year Ended June 30, 2018  
With Comparative Amounts from Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ (5,682)	\$ (8,281)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities-		
Depreciation	361	270
Increase/(Decrease) in Accounts Payable	209	14
Increase/(Decrease) in Payroll Taxes Payable	<u>746</u>	<u>1,240</u>
Net Cash Provided(Used) by Operating Activities	<u>\$ (4,366)</u>	<u>\$ (6,757)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of Assets	\$ <u>(395)</u>	\$ <u>(498)</u>
Net Increase (Decrease) in Cash	\$ (7,61)	\$ (7,255)
Cash-Beginning of Year	<u>19,354</u>	<u>26,609</u>
Cash-End of Year	<u>\$14,593</u>	<u>\$19,354</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Sheltered Workshop  
Statement of Functional Expenses  
Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES:			
Client Salaries	\$ 9,400	\$ 0	\$ 9,400
Other Salaries	4,052	2,182	6,234
Payroll Taxes/Related Expenses	<u>310</u>	<u>167</u>	<u>477</u>
Total Compensation and Related Expenses	<u>\$13,762</u>	<u>\$2,349</u>	<u>\$16,111</u>
OCCUPANCY EXPENSES:			
Repairs/Maintenance	\$ 588	\$ 316	\$ 904
Utilities	<u>2,269</u>	<u>1,222</u>	<u>3,491</u>
Total Occupancy Expenses:	<u>\$ 2,857</u>	<u>\$1,538</u>	<u>\$ 4,395</u>
TRANSPORTATION EXPENSES:			
Fuel & Oil, Repairs & Maintenance	<u>\$ 1,367</u>	<u>\$ 0</u>	<u>\$ 1,367</u>
OTHER EXPENSES:			
Depreciation	\$ 235	\$ 126	\$ 361
Food	79	0	79
Recreation	102	0	102
Repairs/Maintenance (Furniture/Equipment)	302	0	302
Office	310	167	477
Household Supplies	3,518	0	3,518
Janitorial Contract	7,520	0	7,520
Other	<u>1,939</u>	<u>1,045</u>	<u>2,984</u>
Total Other Expenses	<u>\$14,005</u>	<u>\$1,338</u>	<u>\$15,343</u>
Total Functional Expenses	<u>\$31,991</u>	<u>\$5,225</u>	<u>\$37,216</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
*Local Fund*  
Statement of Financial Position  
June 30, 2018  
With Comparative Amounts as of June 30, 2017

	<u>2018</u>	<u>2017</u>
ASSETS:		
Cash	<u>\$9,190</u>	<u>\$6,323</u>
NET ASSETS:		
Unrestricted	<u>\$9,190</u>	<u>\$6,323</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Local Fund  
Statement of Activities  
Year Ended June 30, 2018  
With Comparative Amounts from Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
UNRESTRICTED NET ASSETS:		
Support-		
Donations	<u>\$3,500</u>	<u>\$4,350</u>
Expenses-		
Management and General	<u>\$ 633</u>	<u>\$ 600</u>
Increase (Decrease) in Net Assets	<u>\$2,867</u>	<u>\$3,750</u>
Net Assets-Beginning of Year	<u>6,323</u>	<u>2,573</u>
Net Assets-End of Year	<u>\$9,190</u>	<u>\$6,323</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Local Fund  
Statement of Cash Flows  
Year Ended June 30, 2018  
With Comparative Amounts from Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$2,867	\$3,750
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities-		
Depreciation	0	0
Increase/(Decrease) in Accounts Payable	0	0
Increase/(Decrease) in Payroll Taxes Payable	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>\$2,867</u>	<u>\$3,750</u>
Net Increase (Decrease) in Cash	\$2,867	\$3,750
Cash-Beginning of Year	<u>6,323</u>	<u>2,573</u>
Cash-End of Year	<u>\$9,190</u>	<u>\$6,323</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Local Fund  
Statement of Functional Expenses  
Year Ended June 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Office Expenses	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>
Total Functional Expenses	<u>\$0</u>	<u>\$633</u>	<u>\$633</u>

See independent accountant's review report.

Natchitoches Association for Retarded Citizens, Inc.  
Adult Habilitation Program and Sheltered Workshop  
Board of Directors  
June 30, 2018

President	Patricia Roshto
Vice-President	Idell W. Snowden
Board Member	David Kees
Executive Director	Laura Thomas

Natchitoches Association for Retarded Citizens, Inc.  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2018

Agency Head Name: Laura Thomas, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$30,188
Benefits-Insurance	0
Benefits-Retirement	0
Benefits-Payroll Taxes	2,309
Car allowance	0
Cell phone	0
Dues	0
Vehicle rental	0
Per diem	0
Reimbursements	300
Travel	546
Registration fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>0</u>
Total	<u>\$33,343</u>

See independent accountant's review report.

# 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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(318) 352-3652  
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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Natchitoches Association for Retarded Citizens, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Association's compliance with certain laws and regulations during the year ended June 30, 2018, included in the accompanying Louisiana Attestation Questionnaire. Management of the Natchitoches Association for Retarded Citizens, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### FEDERAL, STATE, AND LOCAL AWARDS

1. Obtain the list of federal, state and local grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

Medical Assistance Program	\$153,683	Medicaid
OCDD	\$ 13,287	Office for Citizens with Developmental Disabilities

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provide that no more than 30 disbursements are selected.
  - a. For the items selected, trace the six disbursements to supporting documentation as to proper amount and payee.

*We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.*

- b. For the items selected, determine if the six disbursements were properly coded to the correct fund and general ledger account.

*The six disbursements were properly coded to the correct general ledger account.*

- c. For the items selected, determine whether the six disbursements received approval from proper authorities.

*Each of the six disbursements was approved by the appropriate individual.*

- d. For the items selected: For federal awards, determine whether the disbursements comply with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to activities allowed or unallowed, eligibility, and reporting.

*All of the disbursements complied with the above requirements.*

3. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

*There were no programs closed out during the period.*

#### OPEN MEETINGS

4. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

*Natchitoches ARC is a non-profit agency that is not subject to the open meetings law.*

#### BUDGET

5. For all grants exceeding five thousand dollars, obtain the comprehensive grant budgets that the Agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants include the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

*Due to the nature of the funds received through the Medical Assistance Program and OCDD, there is no annual contract or budget available.*

#### REPORTING

6. Determine whether the Agency complied with R.S. 24:513 A.(3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

*The Agency has disclosed the compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.*

PRIOR COMMENTS AND RECOMMENDATIONS

7. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

*There were no prior year suggestions, recommendations or comments.*

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Natchitoches Association for Retarded Citizens, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnson, Thomas + Cunningham, CPA's*  
Johnson, Thomas & Cunningham, CPA's

November 26, 2018  
Natchitoches, Louisiana

**NATCHITOCHESS ASSOCIATION FOR RETARDED CITIZENS, INC.**

**LOUISIANA ATTESTATION QUESTIONNAIRE**

Johnson, Thomas & Cunningham, CPA's  
321 Bienville Street  
Natchitoches, LA 71457

In connection with your review of our financial statements as of June 30, 2018 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept fully responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of November 26, 2018.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes  No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes  No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes  No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes  No

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes  No

N/A

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [] No [ ]

**Reporting**

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No [ ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

Yes [] No [ ]

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No [ ]

Natchitoches Association for Retarded Citizens, Inc.  
127 Airport Road  
Natchitoches, LA 71457

Peter Rozlit President 11/26/18 Date

Laura Thomas Director 11/26/18 Date