



ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007



McMANUS, DOSEN & CO.
Certified Public Accountants

ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED

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FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEES
ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED

We have audited the accompanying statements of financial position of the Association for the Developmentally Disabled (ADD), as of December 31, 2008 and 2007 and the related statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of ADD's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 audits provide 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 ADD as of December 31, 2008 and 2007, and the results of its activities and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


McMANUS, DOSEN & CO.

March 17, 2009

ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007**

<u>ASSETS</u>	<u>2008</u>	<u>2007</u>
CURRENT ASSETS:		
Cash (Notes 2, 3 and 4)	\$ 405,579	\$ 2,756,604
Accounts receivable, net of allowance for doubtful accounts of \$85,000 in 2008 and \$35,000 in 2007 (Note 3)	2,745,610	1,783,075
Prepaid expenses	194,897	165,300
Total current assets	<u>3,346,086</u>	<u>4,704,979</u>
PROPERTY (Note 2):		
Land and buildings (Notes 6, 9, 12, and 17)	4,361,313	4,429,848
Furniture and equipment	887,622	838,962
Total cost	5,248,935	5,268,810
Less accumulated depreciation	3,453,606	3,363,394
Property, net	<u>1,795,329</u>	<u>1,905,416</u>
OTHER ASSETS:		
HUD reserves (Notes 3 and 4)	93,123	96,791
Investments (Notes 2 and 5)	3,981,053	3,792,304
Deposits	12,497	7,497
Total other assets	<u>4,086,673</u>	<u>3,896,592</u>
TOTAL ASSETS	<u>\$ 9,228,088</u>	<u>\$ 10,506,987</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 243,905	\$ 440,831
Settlement payable - ODHS	58,157	102,199
Accrued payroll, payroll taxes, and employee withholdings	914,020	805,326
Accrued interest	4,773	4,915
Medicaid bed license fee payable	72,743	59,081
Current portion of long-term debt (Note 6)	19,233	17,720
Client funds	39,180	137,288
Deposits held	1,956	1,956
Total current liabilities	<u>1,353,967</u>	<u>1,569,316</u>
MORTGAGES PAYABLE (Note 6)	<u>600,030</u>	<u>619,943</u>
NET ASSETS (Note 2):		
Unrestricted:		
Accumulated surplus	5,620,977	6,508,603
Net equity in property	1,195,299	1,285,473
Total unrestricted	6,816,276	7,794,076
Temporarily restricted (Note 9)	457,815	523,652
Total net assets	<u>7,274,091</u>	<u>8,317,728</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,228,088</u>	<u>\$ 10,506,987</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED**CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008			2007
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	
REVENUE AND SUPPORT (Note 2):				
Program service revenue:				
Residential (Note 10)	\$ 11,867,358	\$ -	\$ 11,867,358	\$ 12,036,557
Dahlberg Learning Center	1,622,316	-	1,622,316	1,709,708
ADDvantage Center	725,943	-	725,943	753,166
Community Connection	629,104	-	629,104	690,625
Rental income (Note 11)	156,669	-	156,669	149,881
Employment services	113,846	-	113,846	-
Investment income (loss) (Note 5)	(678,309)	-	(678,309)	257,028
Grants and donations	2,030	-	2,030	44,554
Total revenue and support	<u>14,438,957</u>	<u>-</u>	<u>14,438,957</u>	<u>15,641,519</u>
EXPENSES:				
Program services:				
Residential	10,858,542	-	10,858,542	10,451,406
Dahlberg Learning Center	1,459,774	-	1,459,774	1,345,310
ADDvantage Center	723,900	-	723,900	676,945
Community Connection	528,254	-	528,254	571,985
Rental projects	168,474	-	168,474	179,497
Employment services	118,256	-	118,256	-
Total program services	<u>13,857,200</u>	<u>-</u>	<u>13,857,200</u>	<u>13,225,143</u>
General and administrative	1,629,042	-	1,629,042	1,548,437
Total expenses	<u>15,486,242</u>	<u>-</u>	<u>15,486,242</u>	<u>14,773,580</u>
SURPLUS (DEFICIT) FROM OPERATIONS	<u>(1,047,285)</u>	<u>-</u>	<u>(1,047,285)</u>	<u>867,939</u>
OTHER INCOME:				
Gain (loss) on sale of facility (Notes 9 and 12)	48,179	(44,531)	3,648	-
Gain on sale of Medicaid bed licenses	-	-	-	17,500
Net assets released from restriction (Note 9)	21,306	(21,306)	-	-
Total other income	<u>69,485</u>	<u>(65,837)</u>	<u>3,648</u>	<u>17,500</u>
NET SURPLUS (DEFICIT)	<u>\$ (977,800)</u>	<u>\$ (65,837)</u>	<u>\$ (1,043,637)</u>	<u>\$ 885,439</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	PROGRAM SERVICES							Total	General and Administrative	Agency Total
	Residential Learning Center	Dahlberg Learning Center	ADDDvantage Center	Community Connection	Rental Projects	Employment Services	Total			
Labor costs:										
Salaries and wages.....	\$ 6,951,760	\$ 685,235	\$ 329,306	\$ 351,291	\$ -	\$ 83,537	\$ 8,401,129	\$ 883,255	\$ 9,284,384	
Fringe benefits.....	1,004,011	150,042	65,776	67,740	-	2,857	1,290,426	104,109	1,394,535	
Payroll taxes.....	726,112	68,549	33,762	32,958	-	11,940	873,321	77,008	950,329	
Contracted services.....	674,073	237,656	-	-	-	-	911,729	66	911,795	
Total labor.....	9,355,956	1,141,482	428,844	451,989	-	98,334	11,476,605	1,064,438	12,541,043	
Facility costs:										
Utilities.....	170,534	49,978	839	10,816	15,821	895	248,883	43,938	292,821	
Repairs and maintenance.....	81,388	88,865	27,126	24	39,571	-	236,974	17,916	254,890	
Rent.....	79,188	-	90,021	-	-	-	169,209	157,950	327,159	
Depreciation.....	67,488	58,396	698	-	34,696	-	161,278	-	161,278	
Interest expense.....	-	-	-	-	57,213	-	57,213	-	57,213	
Total facility.....	398,598	197,239	118,684	10,840	147,301	895	873,557	219,804	1,093,361	
Food.....	272,545	30,555	6,927	2,022	-	-	312,049	9,049	321,098	
Transportation.....	163,033	31	80,977	267	-	806	245,114	1,499	246,613	
Supplies.....	171,382	43,585	17,269	37,137	-	1,740	271,113	62,282	333,395	
Bed licenses.....	207,254	-	-	-	-	-	207,254	-	207,254	
Equipment.....	161,484	10,601	55,777	238	-	-	228,100	20,182	248,282	
Professional fees.....	593	924	40	5,107	2,757	4,981	14,402	99,841	114,243	
Insurance.....	28,707	12,485	2,435	2,494	10,007	7,160	63,288	44,432	107,720	
Travel and entertainment.....	41,950	1,291	707	7,313	-	205	51,466	21,030	72,496	
Depreciation - equipment.....	20,638	11,811	5,889	7,094	8,409	753	54,594	22,689	77,283	
Dues and subscriptions.....	6,826	759	375	85	-	10	8,055	35,689	43,744	
Recruiting.....	25,891	7,364	4,146	1,887	-	1,850	41,138	14,948	56,086	
Staff development.....	120	1,605	1,830	1,781	-	-	5,336	1,830	7,166	
Other expenses.....	3,565	42	-	-	-	1,522	5,129	11,329	16,458	
Total expenses.....	\$ 10,858,542	\$ 1,459,774	\$ 723,900	\$ 528,254	\$ 168,474	\$ 118,256	\$ 13,857,200	\$ 1,629,042	\$ 15,486,242	

The accompanying notes are an integral part of these financial statements.

ASSOCIATION FOR THE DEVELOPMENTALLY DISABLED

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	PROGRAM SERVICES						Total	General and Administrative	Agency Total
	Residential Learning Center	Dahlberg Learning Center	ADDvantage Center	Community Connection	Rental Projects				
Labor costs:									
Salaries and wages	\$ 6,462,879	\$ 619,493	\$ 283,839	\$ 364,151	\$ -	\$ -	\$ 800,807	\$ 8,531,169	
Fringe benefits	921,567	152,504	74,186	83,900	-	-	109,449	1,341,606	
Payroll taxes	717,873	69,701	32,179	38,733	-	-	68,255	926,741	
Contracted services	803,309	183,263	-	-	-	-	20,895	1,007,467	
Total labor	8,905,628	1,024,961	390,204	486,784	-	-	999,406	11,806,983	
Facility costs:									
Utilities	156,651	49,395	32,223	12,818	31,709	-	36,386	319,182	
Rent	105,571	88,269	24,902	-	30,511	-	17,742	266,995	
Repairs and maintenance	71,428	-	89,504	-	-	-	145,280	306,212	
Depreciation	78,768	46,738	698	-	37,788	-	-	163,992	
Interest expense	-	-	-	-	59,996	-	-	59,996	
Total facility	412,418	184,402	147,327	12,818	160,004	-	199,408	1,116,377	
Food	304,380	28,366	5,572	1,511	-	-	8,505	348,334	
Transportation	154,705	1	83,535	332	-	-	3,763	242,336	
Supplies	167,546	44,636	10,344	38,856	-	-	66,755	328,137	
Bed licenses	233,201	-	-	-	-	-	-	233,201	
Equipment	97,899	25,791	22,476	4,250	-	-	28,295	178,711	
Professional fees	6,562	-	562	5,277	3,141	-	108,004	123,546	
Insurance	31,124	12,250	3,107	1,060	9,824	-	41,824	99,189	
Travel and entertainment	47,710	1,356	-	7,185	-	-	21,401	77,652	
Depreciation - equipment	18,678	9,971	4,989	2,468	6,528	-	24,671	67,305	
Dues and subscriptions	7,061	717	168	100	-	-	33,944	41,990	
Recruiting	59,449	8,104	8,132	8,133	-	-	3,320	87,138	
Staff development	1,852	4,743	525	3,211	-	-	1,437	11,768	
Other expenses	3,193	12	4	-	-	-	7,704	10,913	
Total expenses	\$ 10,451,406	\$ 1,345,310	\$ 676,945	\$ 571,985	\$ 179,497	\$ 13,225,143	\$ 1,548,437	\$ 14,773,580	

The accompanying notes are an integral part of these financial statements.