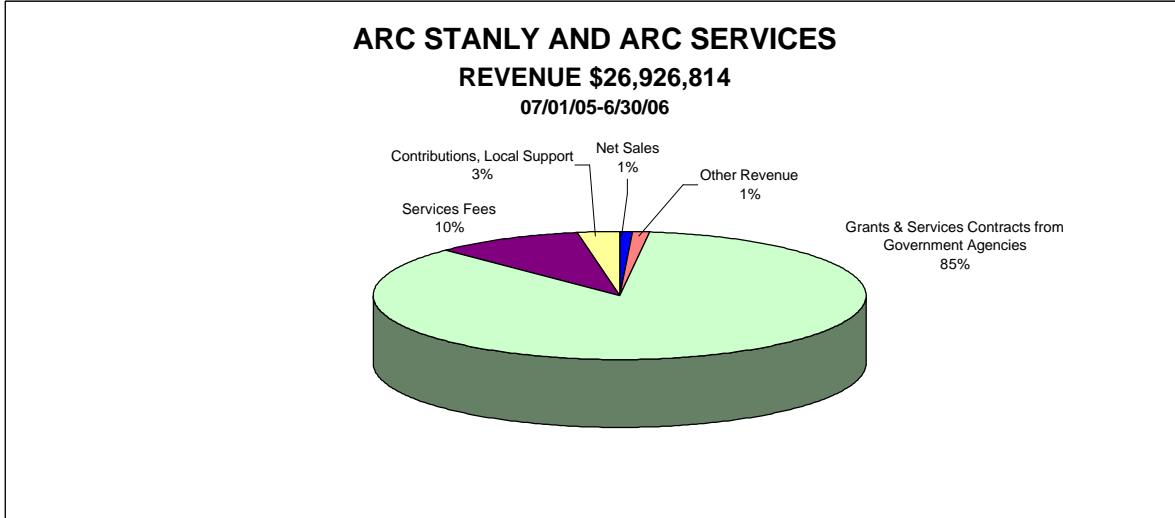


**Annual Financial Report**

**Summary**

Net Sales	214,237	1%
Other Revenue	294,399	1%
Grants & Services Contracts from Government Agencies	23,019,154	85%
Services Fees	2,672,681	10%
Contributions, Local Support	726,343	3%
	26,926,814	100%



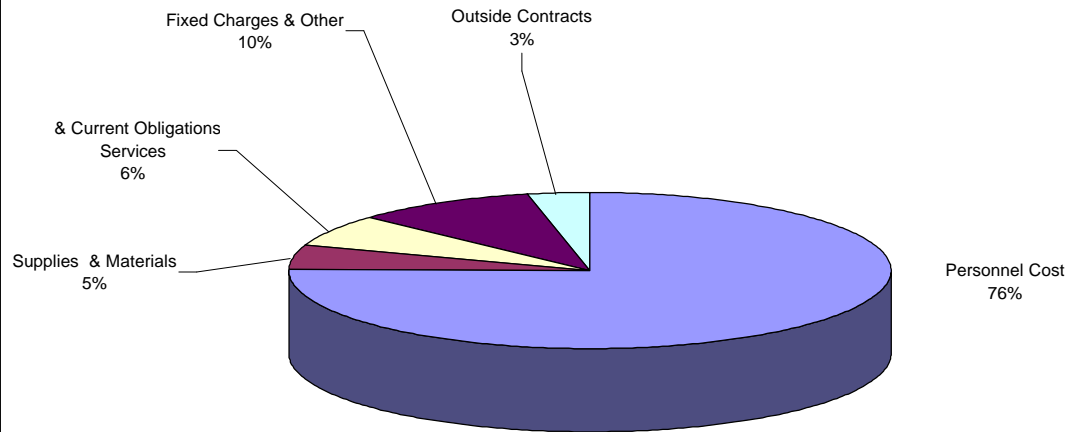
**Summary of Expense by Category**

Personnel Cost	19,621,609
Supplies & Materials	1,305,584
Current Obligations & Services	1,679,037
Fixed Charges & Other	2,558,243
Outside Contracts	870,394
	<hr/>
	<b>26,034,867</b>

## ARC OF STANLY AND ARC SERVICES

**EXPENSES \$26,034,867**

7/01/05-6/30/06



### Revenues and Support

#### Net Sales:

Sales	794,882
Less Cost of Goods Sold	(580,645)
	214,237

#### Other Revenue:

Special Events	13,391
Gain on disposal of assets	4,129
	66,820
Other	49,235
	133,575

#### Grants & Service Contracts from Governmental Agencies:

Medicaid	14,942,851
Vocational Rehabilitation	1,112,030
Mental Health	6,825,570
DSS	38,970
DPI Lunches	3,215
Vendorship	32,562
Smart Start	46,893
Rural Housing Subsidy	17,063
	23,019,154

#### Service Fees:

Tuition	7,598
Resident Rent	2,612,749
Rent	52,334
	2,672,681

#### Contributions, Local Support

United Way	35,934
Stanly County Commission	673,632
Contributions	16,777
Membership Fees	
	726,343

#### Investment Income

Interest and Dividends	59,001
Net Unrealized Gain	
Realized Gain on Investments	101,823
	160,824
	26,926,814

1%

<b>Expenses</b>			
1 Personnel Cost		<b>19,621,609</b>	1
2 Gas & Oil		275,556	2
2 Supplies		507,930	3
2 Food & Provisions		<u>522,098</u>	4
		<b>1,305,584</b>	7
3 Staff Training and Travel		549,441	
3 Telephone		294,981	
3 Postage			
3 Plant and Operation Expense			
3 Recreation		13,896	
3 Repairs & Maint		450,839	
3 Utilities		<u>369,880</u>	
		<b>1,679,037</b>	
4 Insurance		289,662	
4 Dues and Subscriptions			
4 Tax & License			
4 Other		66,827	
4			
4 building an Equipment rent		1,023,633	
4 Depreciation		445,639	
4 Interest Expense		70,851	
4 Realized Loss on Investments			
4 Medicaid Assessment		293,334	
4 Annual Meeting			
4 Miscellaneous		<u>368,297</u>	
		<b>2,558,243</b>	
7 Contracted Services		745,431	
7 Medical Services & Supplies		124,963	
7 Transportation Cost			
		<b>870,394</b>	
		<b>26,034,867</b>	
		-	

**Assets**

Cash and Cash Equivalents	862,817
Investments	1,069,531
Accounts Receivable	797,335
Inventory	16,553
Prepaid Expenses	29,602
Fixed Assets net of accumulated depreciation	1,854,849
<b>Total Assets</b>	<b><u>4,630,687</u></b>

**Liabilities and Net Assets**

Accounts Payable and Accrued Expense	543,710
Current Installments of Capital Lease Obligations	
Current Maturities of Long-term Debt	
Deferred Revenue	3,946
Long-Term Debt	1,146,714
<b>Net Assets:</b>	
Unrestricted Operating	2,559,088
Restricted	341,932
Temporarily Restricted	35,297
<b>Total Liabilities and Net Assets</b>	<b><u>4,630,687</u></b>