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RAPIDES ASSOCIATION FOR RETARDED CITIZENS
ALEXANDRIA LOUISIANA

FINANCIAL REPORTS
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

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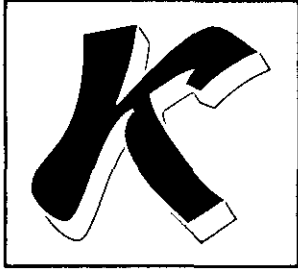
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Roland D. Kraushaar

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Rapides Association for Retarded Citizens
Alexandria, Louisiana**

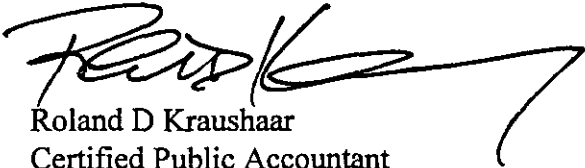
I have audited the accompanying statements of financial position of the Rapides Association for Retarded Citizens (a non-profit organization) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Rapides Association for Retarded Citizens as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

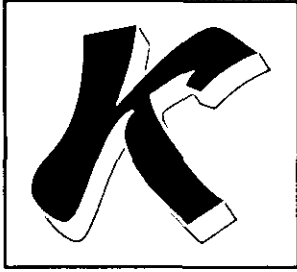
In accordance with Government Auditing Standards, I have also issued a report dated December 16, 2004 on my consideration of the Associations internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the statements of financial position, activities and cash flows taken as a whole. The financial information listed as "Supplemental Data" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Rapides Association For Retarded Citizens. This information has been subjected to the auditing procedures applied in the audit of the financial statements, and in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Roland D Kraushaar
Certified Public Accountant

December 16, 2004



Roland D. Kraushaar

Certified Public Accountant

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

To The Board of Commissioners
Rapides Association for Retarded Citizens
Alexandria, Louisiana

I have audited the accompanying statements of position, activities and cash flows of the Rapides Association for Retarded Citizens, as of and for the year ended June 30, 2004, and have issued my report thereon dated December 16, 2004, I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the Rapides Association for Retarded Citizens general purpose financial statements are free of material misstatements, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Reporting

In planning and performing my audit, I considered the Rapides Association for Retarded Citizens, internal control over general purpose financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions.

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Rapides Association for Retarded Citizens ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-1

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 being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe item 2004-1 of the reportable conditions described above is a material weakness.

This report is intended for the information of management, and federal awarding agencies and pass-through entities.



Roland D. Kraushaar
Certified Public Accountant

December 16, 2004

FINANCIAL SECTION

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINED STATEMENT OF FINANCIAL POSITION
June 30, 2004

ASSETS

CURRENT ASSETS

Cash and equivalents	\$ 583,761
Accounts Receivable	227,408
Due from employees	769
Prepaid expenses	6,235
Accrued interest	<u>161</u>

Total current assets \$ 818,334

PROPERTY, PLANT AND EQUIPMENT

Buildings	\$ 474,266
Major movable equipment	105,252
Motor vehicles	283,124
Accumulated depreciation	<u>(253,567)</u>

Total property, plant and equipment 609,075

OTHER ASSETS

Deposits W/C Insurance	\$ <u>8,100</u>
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Total other assets 8,100

TOTAL ASSETS **\$ 1,435,509**

LIABILITIES AND NET ASSETS

LIABILITIES

Employee withholdings	\$ 447
Accounts Payable	<u>8,090</u>

Total liabilities \$ 8,537

NET ASSETS-UNRESTRICTED 1,426,972

TOTAL LIABILITIES AND NET ASSETS **\$ 1,435,509**

See Notes to Financial Statements

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

PUBLIC SUPPORT AND REVENUES

Fees and contracts	
OCDD contract	\$ 216,110
LRS contract	2,464
Medicaid waivers	387,579
SIL	1,087,431
Respite	6,355
PCA	14,873
Leroy's contract	548
Grant from DOTD	58,881
Gain on equipment sold	734
Contributions	42,220
Membership dues	632
Interest income	12,243
Project revenue (Net)	15,968
Coke sales	6,800
Client/employee meals/miscellaneous	<u>20,672</u>

TOTAL PUBLIC SUPPORT AND REVENUE **\$ 1,873,510**

EXPENSES

Administrative and General	\$ 286,488
Plant Operations and Maintenance	47,898
Capital Asset Cost	29,475
Coke Purchases	4,106
Dietary	19,873
Employee Bonus	4,650
Miscellaneous	2,642
Therapeutic and Training	<u>1,035,690</u>

TOTAL EXPENSES **1,430,822**

CHANGE IN NET ASSETS **\$ 442,688**

NET ASSETS, Beginning of year **984,284**

NET ASSETS, End of year **\$ 1,426,972**

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004

OPERATING ACTIVITIES

Net operating income	\$	442,687
Adjustment to reconcile net operating income to net cash provided by operating activities:		
Depreciation		34,232
(Increase) decrease in Accounts receivable		(102,157)
(Increase) decrease in Prepaid Expenses		(362)
(Increase) decrease in Accrued interest		3,660
Increase (decrease) in Accounts payable		5,876
Increase (decrease) in Employee withholdings		<u>(15,001)</u>
Net cash provided by operating activities	\$	<u>368,935</u>

INVESTING ACTIVITIES

Deposit on Van	\$	16,000
Purchase of new building		(368,418)
Purchase of equipment		(106,914)
Basis of equipment sold		<u>806</u>
Net Investing Activities	\$	<u>(458,526)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$	(89,591)
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		<u>673,352</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$	<u>583,761</u>
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See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES

The Rapides Association for Retarded Children, Inc. was incorporated in the State of Louisiana on February 10, 1955, as a non-profit organization. According to its charter the primary purpose of the Association is to promote the general welfare of mentally retarded children in Rapides Parish and to aid parents and families in the solution of personal and social problems arising from mental retardation. It shall provide facilities for the evaluation, care, treatment and education of mentally retarded children in the Parish. The organization is supported primarily through contracts for services with various governmental agencies, which accounts for over 90% of their total revenue. The organization is established as a dues paying organization and open to anyone in Rapides Parish, upon payment of their dues. The collection of dues amounted to \$ 632 for the year ended June 30, 2004.

CONTRIBUTED SERVICES

During the year ended June 30, 2004, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition many individuals volunteer their time at the facility.

ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

PROPERTY AND EQUIPMENT

Donations of property and equipment (if any) 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. The organization has not received any restricted assets, or cash required to acquire restricted assets, in many years, but, if some are received they will be properly recorded. Property and equipment are depreciated using the straight line method.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 2. - FINANCIAL STATEMENT PRESENTATION

In 1996, the organization adopted statements of financial accounting standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the organization 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 organization is required to present a statement of cash flows. As permitted by this new statement, the organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets as required. This reclassification had no effect on the change in net assets for 2004. The organization presently has no restricted assets, therefore, only unrestricted assets are reported in these financial statements.

CONTRIBUTIONS

The organization also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. The organization presently receives no restricted contributions, nor have they received any during the past few years, therefore, the adoption of this statement has had no effect on the financial statements.

INCOME TAXES

The organization is a Not-for-Profit organization that is exempt from income taxes under Section 501 (C) (3) of the Internal Revenue Code.

CASH AND CASH EQUIVALENT

For purposes of the statements of cash flows, the organization considers all checking accounts and bank certificates of deposits to be cash equivalent.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

DESCRIPTION OF LEASING ARRANGEMENTS

The real estate upon which the building and facilities are located belongs to the City of Alexandria and is provided to the organization at no cost. On or about June 30, 2004 the Association moved into their new facilities, which they own, and abandoned the buildings on city property.

DEPOSITS

The organization maintains cash in various checking, savings and certificates of deposit in various banks in the area. At year end, the carrying amount of the organization's deposits were \$ 583,761 and the bank balance was \$ 560,047. Of the bank balances \$ 200,000 was covered by federal depository insurance. The remaining balance of \$ 360,047 was not insured or collateralized.

FIXED ASSETS

A summary of fixed assets follows:

	<u>BALANCE</u> <u>JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2004</u>
Buildings	\$154,772	\$368,418	\$ 48,924	\$474,266
Major movable Equipment	85,806	33,313	13,867	105,252
Motor vehicles	<u>230,613</u>	<u>73,601</u>	<u>21,090</u>	<u>283,124</u>
Total fixed assets	\$471,191	\$475,332	\$ 83,881	\$862,642
Accumulated depreciation	<u>302,361</u>	<u>34,232</u>	<u>83,026</u>	<u>253,567</u>
NET FIXED ASSETS	<u>\$168,830</u>	<u>\$441,100</u>	<u>\$ 855</u>	<u>\$609,075</u>

The following useful lives are used to compute depreciation:

Buildings	25-40 years
Major movable equipment	5-10 years
Motor vehicles	4 years

SUPPLEMENTAL DATA

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2004

	<u>RARC</u>	<u>JETC</u>	<u>COMBINED</u>
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 501,802	\$ 81,959	\$ 583,761
Accounts Receivable	227,408	-	227,408
Due from Employees	520	249	769
Prepaid expenses	6,235	-	6,235
Due from RARC	-	18,566	18,566
Accrued interest	121	40	161
	<u>736,086</u>	<u>100,814</u>	<u>836,900</u>
Total current assets	<u>\$ 736,086</u>	<u>\$ 100,814</u>	<u>\$ 836,900</u>
PROPERTY, PLANT AND EQUIPMENT			
Buildings	\$ 474,266	\$ -	\$ 474,266
Major movable equipment	57,678	47,574	105,252
Motor vehicles	283,124	-	283,124
Accumulated depreciation	<u>(229,860)</u>	<u>(23,707)</u>	<u>(253,567)</u>
	<u>585,208</u>	<u>23,867</u>	<u>609,075</u>
Total property, plant and equipment	<u>\$ 585,208</u>	<u>\$ 23,867</u>	<u>\$ 609,075</u>
OTHER ASSETS			
Deposits W/C Insurance	\$ 8,100	\$ -	\$ 8,100
	<u>8,100</u>	<u>-</u>	<u>8,100</u>
Total other assets	<u>\$ 8,100</u>	<u>\$ -</u>	<u>\$ 8,100</u>
TOTAL ASSETS	<u>\$ 1,329,394</u>	<u>\$ 124,681</u>	<u>\$ 1,454,075</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Employee withholdings	\$ 447	\$ -	\$ 447
Accounts Payable	8,090	-	8,090
Due to JETC	18,566	-	18,566
	<u>27,103</u>	<u>-</u>	<u>27,103</u>
Total liabilities	<u>\$ 27,103</u>	<u>\$ -</u>	<u>\$ 27,103</u>
NET ASSETS UNRESTRICTED	<u>\$ 1,302,291</u>	<u>\$ 124,681</u>	<u>\$ 1,426,972</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,329,394</u>	<u>\$ 124,681</u>	<u>\$ 1,454,075</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

	<u>RARC</u>	<u>JETC</u>	<u>COMBINED</u>
PUBLIC SUPPORT AND REVENUES			
Fees and contracts			
OCDD contract	\$ 216,110	\$ -	\$ 216,110
LRS contract	2,464	-	2,464
Medicaid waivers	387,579	-	387,579
SIL	1,087,431	-	1,087,431
Respite	6,355	-	6,355
PCA	14,873	-	14,873
Leroy's contract	548	-	548
Grant from DOTD	58,881	-	58,881
Gain on equipment sale	734	-	734
Contributions	42,220	-	42,220
Membership dues	632	-	632
Interest income	10,843	1,400	12,243
Project revenue (Net)	-	15,968	15,968
Coke sales	-	6,800	6,800
Client/employee meals/miscellaneous	17,507	3,165	20,672
	<u>1,846,177</u>	<u>27,333</u>	<u>1,873,510</u>
TOTAL PUBLIC SUPPORT AND REVENUE	\$ 1,846,177	\$ 27,333	\$ 1,873,510
EXPENSES			
Administrative and General	\$ 286,488	\$ -	\$ 286,488
Plant Operations and Maintenance	47,898	-	47,898
Capital Asset Cost	29,475	-	29,475
Coke Purchases	-	4,106	4,106
Dietary	19,873	-	19,873
Employee Bonus	-	4,650	4,650
Miscellaneous	-	2,642	2,642
Therapeutic and Training	1,035,690	-	1,035,690
	<u>1,419,424</u>	<u>11,398</u>	<u>1,430,822</u>
TOTAL EXPENSES	\$ 1,419,424	\$ 11,398	\$ 1,430,822
CHANGE IN NET ASSETS	\$ 426,753	\$ 15,935	\$ 442,688
NET ASSETS, Beginning of year	875,538	108,746	984,284
NET ASSETS, End of year	\$ 1,302,291	\$ 124,681	\$ 1,426,972

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS.
Alexandria, Louisiana

COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004

	<u>RARC</u>	<u>JETC</u>	<u>TOTALS</u>
OPERATING ACTIVITIES			
Net operating income	\$ 426,753	\$ 15,934	\$ 442,687
<i>Adjustment to reconcile net operating income</i>			
<i>to net cash provided by operating activities:</i>			
Depreciation	29,475	4,757	34,232
(Increase) decrease in Accounts receivable	(101,908)	(249)	(102,157)
(Increase) decrease in Prepaid Expenses	(362)	-	(362)
(Increase) decrease in Accrued interest	2,839	821	3,660
Increase (decrease) in Accounts payable	5,876	-	5,876
Increase (decrease) in Employee withholding	(15,001)	-	(15,001)
 Net cash provided by operating activities	 <u>\$ 347,672</u>	 <u>\$ 21,263</u>	 <u>\$ 368,935</u>
 INVESTING ACTIVITIES			
Deposit on Van	\$ 16,000	\$ -	\$ 16,000
Purchase of new building	(368,418)	-	(368,418)
Purchase of equipment	(106,914)	-	(106,914)
Basis of equipment sold	806	-	806
Due to/from JETC/RARC	48,470	(48,470)	-
 Net Investing Activities	 <u>\$ (410,056)</u>	 <u>\$ (48,470)</u>	 <u>\$ (458,526)</u>
 NET INCREASE (DECREASE) IN CASH AND			
CASH EQUIVALENTS			
	\$ (62,384)	\$ (27,207)	\$ (89,591)
 CASH AND CASH EQUIVALENTS,			
BEGINNING OF YEAR			
	<u>564,186</u>	<u>109,166</u>	<u>673,352</u>
 CASH AND CASH EQUIVALENTS,			
END OF YEAR			
	<u>\$ 501,802</u>	<u>\$ 81,959</u>	<u>\$ 583,761</u>

See Notes to Financial Statements.

**RAPIDES ASSOCIATION FOR RETARDED CITIZENS
GENERAL OPERATIONS
Alexandria, Louisiana**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004**

ASSETS

CURRENT ASSETS

Cash and equivalents	\$ 181,261
Accounts Receivable	227,408
Accrued interest	121
Prepaid expenses	<u>6,235</u>

Total current assets \$ 415,025

PROPERTY, PLANT AND EQUIPMENT

Buildings	\$ 474,266
Major movable equipment	57,678
Motor vehicles	283,124
Accumulated depreciation	<u>229,860</u>

Total property, plant and equipment 1,044,928

OTHER ASSETS

Deposits W/C Insurance	<u>\$ 8,100</u>
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Total Other Assets 8,100

TOTAL ASSETS

\$ 1,468,053

LIABILITIES AND NET ASSETS

LIABILITIES

Employee withholdings	\$ 7,761
Due from JETC	15,634
Accounts Payable	<u>776</u>

Total liabilities \$ 24,171

NET ASSETS

1,443,882

TOTAL LIABILITIES AND FUND BALANCE

\$ 1,468,053

See Notes to Financial Statements.

**RAPIDES ASSOCIATION FOR RETARDED CITIZENS
GENERAL OPERATIONS
Alexandria, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004**

PUBLIC SUPPORT AND REVENUES

Fees and contracts	
OCDD contract	\$ 216,110
LRS contract	2,464
Medicaid waivers	387,579
SIL	1,087,431
Respite	6,355
Leroy's contract	548
PCA	14,873
Membership dues	632
Interest income	10,843
Gain on sale of assets	734
Grant from DOTD	58,881
Contributions	42,220
Client/employee meals/miscellaneous	<u>17,507</u>

TOTAL PUBLIC SUPPORT AND REVENUE	\$ <u>1,846,177</u>
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EXPENSES

Administrative and General	\$ 230,996
Plant Operations and Maintenance	47,898
Capital Asset Cost	29,475
Dietary	30,101
Therapeutic and Training	<u>1,080,954</u>

TOTAL EXPENSES	\$ <u>1,419,424</u>
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CHANGE IN NET ASSETS	\$- 426,753
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NET ASSETS, Beginning of year	<u>875,373</u>
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NET ASSETS, End of year	\$ <u>1,302,126</u>
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See Notes to Financial Statements

**RAPIDES ASSOCIATION FOR RETARDED CITIZENS
GENERAL OPERATIONS
Alexandria, Louisiana**

**SCHEDULE OF EXPENSES
For the Year Ended June 30, 2004**

ADMINISTRATIVE AND GENERAL

Salaries - Administrator	\$	40,778
Salaries - Assistant Administrator		27,576
Salaries - Clerical		28,085
Payroll Taxes		7,378
Unemployment tax		3,549
Employee Benefits		3,037
Insurance:		
Van		7,577
Worker's Comp		5,635
Licenses		1,386
Office Supplies		15,701
Membership dues		6,428
Motor Vehicle Expenses		40,914
Postage		1,557
Audit		7,500
Telephone		8,460
Training, In-Service		183
Travel & Seminars		22,307
Other		2,945
		<hr/>
Total Administrative and General	\$	<u>230,996</u>

PLANT OPERATION AND MAINTENANCE

Salaries & Wages	\$	4,022
Payroll taxes		308
Insurance- Workmens compensation		1,220
Repairs & Maintenance, Buildings & Grounds		8,491
Repairs equipment		4,652
Insurance Building		4,534
Utilities		17,007
Supplies		7,664
		<hr/>
Total Plant Operation and Maintenance	\$	<u>47,898</u>

**RAPIDES ASSOCIATION FOR RETARDED CITIZENS
GENERAL OPERATIONS
Alexandria, Louisiana**

**SCHEDULE OF EXPENSES
For the Year Ended June 30, 2004**

CAPITAL ASSET COST

Depreciation - Buildings	\$	58
Depreciation - Furniture & Equipment		1,559
Depreciation - Vans		<u>27,858</u>

Total Capital Asset Cost	\$	<u>29,475</u>
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DIETARY

Salaries	\$	8,729
Payroll Taxes		668
Unemployment tax		321
Insurance-Workman's Compensation		510
Client Payroll		1,708
Food		17,650
Supplies		<u>515</u>

Total Dietary	\$	<u>30,101</u>
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THERAPEUTIC AND TRAINING

Salaries	\$	923,779
Payroll Taxes		74,373
Unemployment tax		17,652
Employee Benefit		4,429
Medical & Nursing		6,743
Insurance-Workman's Compensation		<u>53,978</u>

Total Therapeutic & Training	\$	<u>1,080,954</u>
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TOTAL EXPENSES	\$	<u>1,419,424</u>
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See Notes to Financial Statements

**RAPIDES ASSOCIATION FOR RETARDED CITIZENS
GENERAL OPERATIONS
Alexandria, Louisiana**

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004**

	<u>RARC</u>
OPERATING ACTIVITIES	
Operating Income	\$ 426,753
Adjustment to reconcile net operating income to net cash provided by operating activities:	
Depreciation	29,475
(Increase) decrease in Accounts receivable	(101,908)
(Increase) decrease in Prepaid Expenses	(362)
(Increase) decrease in Accrued interest	2,839
Increase (decrease) in Accounts payable	5,876
Increase (decrease) in Employee withholdings	<u>(15,001)</u>
Net cash provided by operating activities	<u>\$ 347,672</u>
INVESTING ACTIVITIES	
Deposit on Van	\$ 16,000
Purchase of new building	(368,418)
Purchase of equipment	(106,914)
Basis of equipment sold	806
Due from JETC	<u>48,470</u>
Net Investing Activities	<u>\$ (410,056)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (62,384)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>564,186</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 501,802</u>

See Notes to Financial Statements

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
John Eskew Training Center
Alexandria Louisiana

STATEMENT OF FINANCIAL POSITION
June 30, 2004

ASSETS

CURRENT ASSETS

Cash and Equivalent	\$ 81,959
Accounts Receivable	249
Due from RARC	18,566
Accrued interest	<u>40</u>

TOTAL CURRENT ASSETS **\$ 100,814**

FIXED ASSETS

Equipment	\$ 47,574
Less Accumulated Depreciation	<u>23,707</u>

NET FIXED ASSETS 23,867

TOTAL ASSETS **\$ 124,681**

LIABILITIES AND NET ASSETS

LIABILITIES \$ -

TOTAL LIABILITIES **\$ -**

NET ASSETS UNRESTRICTED 124,681

TOTAL LIABILITIES AND NET ASSETS **\$ 124,681**

See Notes to Financial Statements

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
John Eskew Training Center
Alexandria, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

**MISCELLANEOUS
REVENUES**

Project Revenue-Net(Schedule)	\$ 15,968
Interest Earned	1,400
Client Loans (Net)	2,142
Coffee (Net)	171
Miscellaneous	852
Coke Sales	<u>6,800</u>

TOTAL REVENUES \$ 27,333

EXPENSES

Coke Purchases	\$ 4,106
Employee Bonus	4,650
Christmas gifts for clients	1,492
Miscellaneous	<u>1,151</u>

TOTAL EXPENSES \$ 11,399

CHANGE IN NET ASSETS \$ 15,934

NET ASSETS, BEGINNING OF YEAR 108,746

NET ASSETS, END OF YEAR \$ 124,680

See Notes to Financial Statements

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
John Eskew Training Center
Alexandria, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004

		<u>JETC</u>
OPERATING ACTIVITIES		
Net from Operations	\$	15,934
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation		4,757
(Increase) decrease in Accounts Receivable		(249)
(Increase) decrease in Accrued interest		821
		<hr/>
Net cash provided by operating activities	\$	<u>21,263</u>
 INVESTING ACTIVITIES		
Due from RARC	\$	<u>(48,470)</u>
Net investing activities	\$	<u>(48,470)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	\$	(27,207)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
		<hr/> 109,166
 CASH AND CASH EQUIVALENTS, END OF YEAR		
	\$	<u>81,959</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS

John Eskew Training Center
Alexandria Louisiana

PROJECT SCHEDULE

For the Year Ended June 30, 2004

<u>PROJECT</u>	<u>REVENUE</u>	<u>SALARIES</u>	<u>WORKER'S COMPENSATION</u>	<u>PAYROLL TAXES</u>	<u>OPERATING EXPENSES</u>	<u>DEPRECIATION</u>	<u>NET INCOME</u>
Domestic Services	\$ 27,459	\$ 20,386	\$ 4,420	\$ 1,560	\$ 581	\$ -	\$ 512
Bingo	896	342	74	26	-	-	454
R.A.R.C.-Maintenance	5,972	4,022	872	308	51	-	719
R.A.R.C.-Kitchen	1,708	747	162	57	148	-	594
Paper Shredding	21,101	13,920	3,018	1,065	3,188	4,201	(4,291)
Spacers	7,367	6,871	1,490	526	381	-	(1,901)
Shoe	1,092	1,686	366	129	124	-	(1,213)
Spackling	45,641	15,007	3,254	1,148	3,460	556	22,216
Dividers	2,506	2,718	589	208	115	-	(1,124)
TOTALS	\$ 113,742	\$ 65,699	\$ 14,245	\$ 5,027	\$ 8,048	\$ 4,757	\$ 15,966

See Notes to Financial Statements.

**RAPIDES ASSOCIATION FOR RETARDED CITIZENS
ALEXANDRIA, LOUISIANA**

**SCHEDULE OF FINDINGS, QUESTIONED COSTS
AND CORRECTIVE ACTION**

Year Ended June 30, 2004

**FUND
INVOLVED
COST**

FINDINGS

General
Fund
N/A

2004-1 Inadequate Segregation of Duties

Finding:

Due to the small number of accounting employees, the Association did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the accounting operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response and/or Corrective Action:

No response and/or corrective action necessary.