

RECEIVED

JAN 04 1999

LEGISLATIVE AUDITOR

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

99300292
9686

RAPIDES ASSOCIATION
FOR RETARDED CITIZENS
ALEXANDRIA, LOUISIANA

AUDIT REPORT
JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~FEB 10 1999~~

B
H
S

BRUCE H. STAGG

CERTIFIED PUBLIC ACCOUNTANT

3206 MACARTHUR DRIVE
ALEXANDRIA, LOUISIANA 71301
PHONE: (318) 443-7297
FAX: (318) 442-2652

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, 1998, 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.

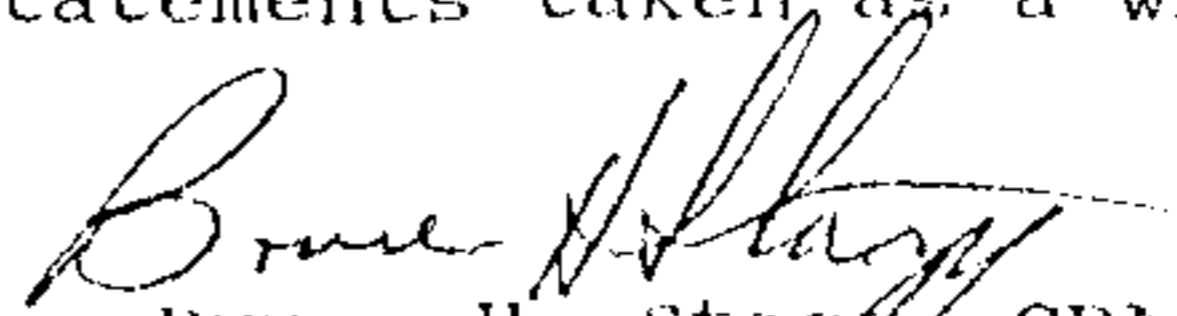
Except as disclosed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Rapides Association for Retarded Citizens has included such disclosures in Note 3. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Rapides Association for Retarded Citizens' disclosures with respect to the year 2000 issue made in Note 3.

Further, I do not provide assurance that the Rapides Association for Retarded Citizens is or will be year 2000 ready, that the Rapides Association for Retarded Citizens' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Rapides Association for Retarded Citizens does business will be year 2000 ready.

In my opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had I been able to examine evidence regarding year 2000 disclosures, the statements of financial positions 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, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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.


Bruce H. Stagg, CPA
December 22, 1998

B
H
S

BRUCE H. STAGG

CERTIFIED PUBLIC ACCOUNTANT

3206 MACARTHUR DRIVE
ALEXANDRIA, LOUISIANA 71301
PHONE: (318) 443-7297
FAX: (318) 442-2652

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, 1998, and have issued my report thereon dated December 22, 1998, which was qualified because insufficient audit evidence exists to support the Rapides Association for Retarded Citizens disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, I conducted my audit in accordance with generally accepted auditing standards 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 98-1.

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 98-1 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. However, this report is a matter of public record and its distribution is not limited.

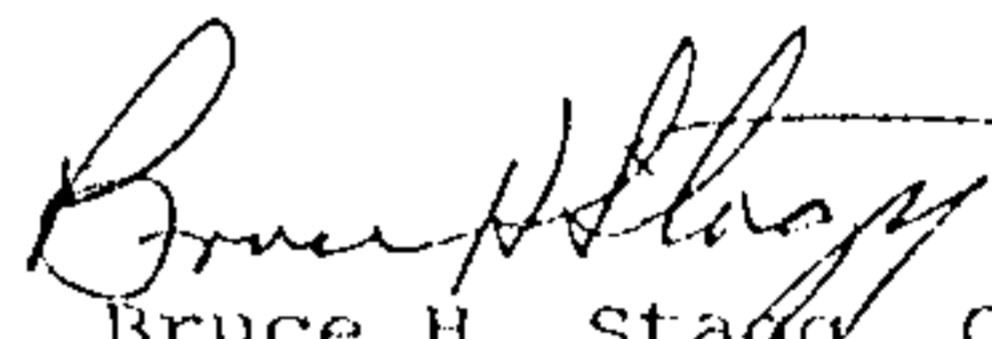

Bruce H. Stagg, CPA
December 22, 1998

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
FINANCIAL SECTION	
Combined Statement of Financial Position	6
Combined Statement of Activities	7
Combined Statement of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	9-12
SUPPLEMENTAL DATA	
Combining Statement of Financial Position	14
Combining Statement of Activities	15
Combining Statement of Cash Flows	16
Rapides Association For Retarded Citizens	
Statement of Financial Position	17
Statement of Activities	18
Schedule of Expenses	19-20
Statement of Cash Flows	21

TABLE OF CONTENTS
(Continued)

John Eskew Training Center

Statement of Financial Position	22
Statement of Activities	23
Statement of Cash Flows	24
Schedule of Projects	25
Schedule of Findings, Questioned Costs and Corrective Action	26
Schedule of Allowable Cost Attributed to the OMR Contract	27-28

FINANCIAL SECTION

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINED STATEMENT OF FINANCIAL POSITION
June 30, 1998

ASSETS

CURRENT ASSETS

Cash and equivalents	\$393,136
Accounts Receivable	30,049
Prepaid expenses	4,337
Accrued interest	<u>6,064</u>

Total current assets 433,586

PROPERTY, PLANT AND EQUIPMENT

Buildings	50,335
Major movable equipment	50,151
Motor vehicles	130,248
Less accumulated depreciation	<u>(149,067)</u>

Total property, plant and equipment 81,667

OTHER ASSETS

Deposits W/C Insurance	1,455
Deposit on Vans	<u>15,284</u>

Total other assets 16,739

TOTAL ASSETS

\$531,992

LIABILITIES AND NET ASSETS

LIABILITIES

Employee withholdings	\$ 7,912
Accounts Payable	<u>6,308</u>

Total liabilities 14,220

NET ASSETS-UNRESTRICTED

517,772

TOTAL LIABILITIES AND NET ASSETS

\$531,992

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1998

PUBLIC SUPPORT AND REVENUES		
Contributions	\$ 1,492	
Fees and contracts		
OCDD contract	192,566	
LRS contract	92,738	
Medicaid waivers	203,633	
Weslyn contract	10,794	
DOTD contract	17,626	
Membership dues	928	
Interest income	11,401	
Project revenue	(204)	
Coke sales (Net)	1,688	
Bingo (Net)	315	
Client/employee meals/miscellaneous	<u>18,358</u>	
 TOTAL PUBLIC SUPPORT AND REVENUE		 551,335
EXPENSES		
Administrative and General	125,737	
Plant Operations and Maintenance	29,782	
Capital Asset Cost	14,708	
Dietary	23,451	
Therapeutic and Training	<u>261,667</u>	
 TOTAL EXPENSES		 <u>455,345</u>
 CHANGE IN NET ASSETS		 95,990
NET ASSETS, Beginning of year		<u>\$421,782</u>
NET ASSETS, End of year		<u>\$517,772</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 1998

OPERATING ACTIVITIES	
Change in net assets	\$ 95,990
Adjustment to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	16,790
(Increase) decrease in	
Accounts receivable	3,358
Prepaid Expenses	(629)
Accrued interest	(6,064)
Deposit on van	670
(Increase) decrease in	
Accounts payable	3,200
Employee withholdings	<u>5,851</u>
Net cash provided by operating activities	119,166
INVESTING ACTIVITIES	
Purchase of equipment	(28,367)
NET INCREASE IN CASH AND CASH EQUIVALENTS	90,799
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>302,337</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$393,136</u>

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 \$928 for the year ended June 30, 1998.

CONTRIBUTING SERVICES

During the year ended June 30, 1998, 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 1998. 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.

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.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

NOTES TO FINANCIAL STATEMENTS
(CONTINUED)

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 \$393,136 and the bank balance was \$404,004. Of the bank balances \$206,262 was covered by federal depository insurance. The remaining balance of \$197,742 was not insured or collateralized.

FIXED ASSETS

A summary of fixed assets follows:

	BALANCE <u>JUNE 30, 1997</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	BALANCE <u>JUNE 30, 1998</u>
Buildings	\$ 50,335	\$ -	\$ -	\$ 50,335
Major movable equipment	46,964	3,187	-	50,151
Motor vechiles	<u>105,068</u>	<u>25,180</u>	<u>-</u>	<u>130,248</u>
Total fixed assets	202,367	28,367	-	230,734
Accumulated depreciation	<u>132,277</u>	<u>16,790</u>	<u>-</u>	<u>149,067</u>
NET FIXED ASSETS	<u>\$ 70,090</u>	<u>\$11,577</u>	<u>\$ -</u>	<u>\$ 81,667</u>

The following useful lives are used to compute depreciation:

Buildings	25-30 years
Major movable equipment	5 years
Motor vechiles	4 years

NOTE 3. YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 issue is a result of short comings in many electronic data processing systems and other electronic equipment that may adversely affect the organization's operations as early as Fiscal year 1999.

Rapides Association for Retarded Citizens has not completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue, and that are necessary to conducting Rapides Association for Retarded Citizens operations. It is unknown as of June 30, 1998 what effects, if any, failing to remediate any such system will have upon Rapides Association for Retarded Citizens operations and financial reporting.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Rapides Association for Retarded Citizens is or will be Year 2000 ready, that Rapides Association for Retarded Citizens remediation efforts will be successful in whole or part, or that parties with whom the Rapides Association for Retarded Citizens does business will be Year 2000 ready.

SUPPLEMENTAL DATA

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 1998

	<u>RARC</u>	<u>JETC</u>	<u>COMBINED</u>
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$323,278	\$69,858	\$393,136
Accounts Receivable	30,049	-	30,049
Prepaid expenses	4,337	-	4,337
Accrued interest	4,553	1,511	6,064
Total current assets	<u>362,217</u>	<u>71,369</u>	<u>433,586</u>
PROPERTY, PLANT AND EQUIPMENT			
Buildings	50,335	-	50,335
Major movable equipment	29,343	20,808	50,151
Motor vehicles	130,248	-	130,248
Less accumulated depreciation	(144,109)	(4,958)	(149,067)
Total property, plant and equipment	<u>65,817</u>	<u>15,850</u>	<u>81,667</u>
OTHER ASSETS			
Deposits W/C Insurance	1,455	-	1,455
Deposit on Vans	15,284	-	15,284
Total other assets	<u>16,739</u>	<u>-</u>	<u>16,739</u>
TOTAL ASSETS	<u>\$444,773</u>	<u>\$87,219</u>	<u>\$531,992</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Employee withholdings	\$ 7,912	\$ -	\$ 7,912
Accounts Payable	6,308	-	6,308
Interdepartmental (Receivable) Payable	(6,847)	6,847	-
Total liabilities	<u>7,373</u>	<u>6,847</u>	<u>14,220</u>
NET ASSETS UNRESTRICTED	<u>437,400</u>	<u>80,372</u>	<u>517,772</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$444,773</u>	<u>\$87,219</u>	<u>\$531,992</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINING STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1998

	<u>RARC</u>	<u>JETC</u>	<u>COMBINED</u>
PUBLIC SUPPORT AND REVENUES			
Contributions	\$ -	\$ 1,492	\$ 1,492
Fees and contracts			
OCDD contract	192,566	-	192,566
LRS contract	92,738	-	92,738
Medicaid waivers	203,633	-	203,633
Weslyn contract	10,794	-	10,794
DOTD grant	17,626	-	17,626
Membership dues	928	-	928
Interest income	9,063	2,338	11,401
Project revenue	-	(204)	(204)
Coke sales (Net)	-	1,688	1,688
Bingo (Net)	-	315	315
Client/employee meals/ miscellaneous	<u>18,358</u>	<u>-</u>	<u>18,358</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>545,706</u>	<u>5,629</u>	<u>551,335</u>
EXPENSES			
Administrative and General	124,870	867	125,737
Plant Operations and Maintenance	29,782	-	29,782
Capital Asset Cost	14,708	-	14,708
Dietary	23,451	-	23,451
Therapeutic and Training	<u>261,667</u>	<u>-</u>	<u>261,667</u>
TOTAL EXPENSES	<u>454,478</u>	<u>867</u>	<u>455,345</u>
CHANGE IN NET ASSETS	91,228	4,762	95,990
NET ASSETS, Beginning of year	<u>346,172</u>	<u>75,610</u>	<u>421,782</u>
NET ASSETS, End of year	<u>\$437,400</u>	<u>\$80,372</u>	<u>\$517,772</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 1998

	<u>RARC</u>	<u>JETC</u>	<u>TOTALS</u>
OPERATING ACTIVITIES			
Change in net assets	\$ 91,228	\$ 4,762	\$ 95,990
Adjustment to reconcile changes in net assets to net cash provided by operating activities			
Depreciation	14,709	2,081	16,790
(Increase) decrease in			
Accounts receivable	3,358	-	3,358
Prepaid Expenses	(629)	-	(629)
Accrued interest	(4,553)	(1,511)	(6,064)
Deposit on van	670	-	670
(Increase) decrease in			
Accounts payable	3,200	-	3,200
Employee withholdings	<u>5,851</u>	<u>-</u>	<u>5,851</u>
Net cash provided by operating activities	113,834	5,332	119,166
INVESTING ACTIVITIES			
Purchase of equipment	(28,367)	-	(28,367)
FINANCING ACTIVITIES			
Loans and advances from other departments	<u>(5,498)</u>	<u>5,498</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	79,969	10,830	90,799
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>243,309</u>	<u>59,028</u>	<u>302,337</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$323,278</u>	<u>\$69,858</u>	<u>\$393,136</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

STATEMENT OF FINANCIAL POSITION
June 30, 1998

ASSETS

CURRENT ASSETS

Cash and equivalents	\$323,278
Accounts Receivable	30,049
Accrued interest	4,553
Interdepartmental Receivable	6,847
Prepaid expenses	<u>4,337</u>

Total current assets 369,064

PROPERTY, PLANT AND EQUIPMENT

Buildings	50,335
Major movable equipment	29,343
Motor vehicles	130,248
Less accumulated depreciation	<u>(144,109)</u>

Total property, plant
and equipment 65,817

OTHER ASSETS

Deposits W/C Insurance	1,455
Deposit on Vans	<u>15,284</u>

Total Other Assets 16,739

TOTAL ASSETS \$451,620

LIABILITIES AND NET ASSETS

LIABILITIES

Employee withholdings	\$ 7,912
Accounts Payable	<u>6,308</u>

Total liabilities 14,220

NET ASSETS 437,400

TOTAL LIABILITIES AND FUND BALANCE \$451,620

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 1998

PUBLIC SUPPORT		
Fees and contracts		
OCDD contract	\$192,566	
LRS contract	92,738	
Medicaid waivers	203,633	
Weslyn contract	10,794	
DOTD grant	17,626	
Membership dues	928	
Interest income	9,063	
Client/employee meals/miscellaneous	<u>18,358</u>	
 TOTAL PUBLIC SUPPORT AND REVENUE		 <u>545,706</u>
EXPENSES		
Administrative and General	124,870	
Plant Operations and Maintenance	29,782	
Capital Asset Cost	14,708	
Dietary	23,451	
Therapeutic and Training	<u>261,667</u>	
 TOTAL EXPENSES		 <u>454,478</u>
 CHANGE IN NET ASSETS		 91,228
 NET ASSETS, Beginning of year		 <u>346,172</u>
 NET ASSETS, End of year		 <u>\$437,400</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

SCHEDULE OF EXPENSES
For the Year Ended June 30, 1998

ADMINISTRATIVE AND GENERAL

Salaries - Administrator	\$ 31,833
Salaries - Assistant Administrator	21,619
Salaries - Clerical	11,212
Payroll Taxes	6,306
Employee Benefit	9,788
Insurance	6,262
Licenses	366
Office Supplies	3,335
Advertising	739
Motor Vehicle Expenses	19,522
Postage	1,161
Audit	4,000
Telephone	2,495
Training, In-Service	4,718
Travel & Seminars	486
Miscellaneous	<u>1,028</u>

Total Administrative and General 124,870

PLANT OPERATION AND MAINTENANCE

Salaries & Wages	974
Payroll Taxes	75
Repairs & Maintenance, Buildings & Grounds	7,208
Insurance	3,837
Utilities	9,351
Supplies	<u>8,337</u>

Total Plant Operation and Maintenance 29,782

CAPITAL ASSET COST

Depreciation - Buildings	1,347
Depreciation - Furniture & Equipment	3,126
Depreciation - Vans	<u>10,235</u>

Total Capital Asset Cost 14,708

DIETARY

Salaries	10,578
Payroll Taxes	1,280
Insurance-Workman's Compensation	754
Food	10,721
Supplies	<u>118</u>

Total Dietary 23,451

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

SCHEDULE OF EXPENSES
For the Year Ended June 30, 1998
(Continued)

THERAPEUTIC AND TRAINING	
Salaries	231,597
Payroll Taxes	27,982
Insurance-Workman's Compensation	<u>2,088</u>
Total Therapeutic & Training	<u>261,667</u>
TOTAL EXPENSES	<u>\$454,478</u>

See Notes to Financial Statements

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 1998

	<u>RARC</u>
OPERATING ACTIVITIES	
Change in net assets	\$ 91,228
Adjustment to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	14,709
(Increase) decrease in	
Accounts receivable	3,358
Prepaid Expenses	(629)
Accrued interest	(4,553)
Deposit on van	670
(Increase) decrease in	
Accounts payable	3,200
Employee withholdings	<u>5,851</u>
Net cash provided by operating activities	113,834
INVESTING ACTIVITIES	
Purchase of equipment	(28,367)
FINANCING ACTIVITIES	
Loans and advances from other departments	<u>(5,498)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	79,969
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>243,309</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$323,278</u>

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
John Eskew Training Center
Alexandria Louisiana

STATEMENT OF FINANCIAL POSITION
June 30, 1998

ASSETS		
CURRENT ASSETS		
Accrued interest	\$ 1,511	
Cash and Equivalent	<u>69,858</u>	
TOTAL CURRENT ASSETS		71,369
FIXED ASSETS		
Equipment	20,808	
Accumulated Depreciation	<u>4,958</u>	
NET FIXED ASSETS		<u>15,850</u>
TOTAL ASSETS		<u>\$87,219</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Interdepartmental Payable	<u>\$ 6,847</u>	
TOTAL LIABILITIES		6,847
NET ASSETS UNRESTRICTED		<u>80,372</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$87,219</u>

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, 1998

REVENUES		
Project Revenue-Net(Schedule)	\$ (204)	
Contributions	1,492	
Interest Earned	2,338	
Bingo (Net)	315	
Coke Sales	<u>6,766</u>	
TOTAL REVENUES		10,707
EXPENSES		
Coke Purchases	5,078	
Employee Bonus	850	
Flower Fund (Net)	<u>17</u>	
TOTAL EXPENSES		<u>5,945</u>
CHANGE IN NET ASSETS		4,762
NET ASSETS, BEGINNING OF YEAR		<u>75,610</u>
NET ASSETS, END OF YEAR		<u>\$80,372</u>

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, 1998

	JETC
OPERATING ACTIVITIES	
Change in net assets	\$ 4,762
Adjustment to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	2,081
(Increase) decrease in	
Accounts receivable	-
Prepaid Expenses	-
Accrued interest	(1,511)
Deposit on van	-
(Increase) decrease in	
Accounts payable	-
Employee withholdings	-
	5,332
Net cash provided by operating activities	
INVESTING ACTIVITIES	
Purchase of equipment	-
FINANCING ACTIVITIES	
Loans and advances from other departments	5,498
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,830
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	59,028
CASH AND CASH EQUIVALENTS, END OF YEAR	\$69,858

See Notes to Financial Statements.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
 John Eskew Training Center
 Alexandria Louisiana

PROJECT SCHEDULE

For the Year Ended June 30, 1998

PROJECT	REVENUE	SALARIES	PAYROLL TAXES	OPERATING EXPENSES	DEPRECIATION	NET INCOME
Domestic Services	\$35,148	\$21,202	\$1,622	\$7,130	\$ -	\$ 5,194
Yard Maintenance	11,361	7,831	599	5,999	-	(3,068)
R.A.R.C.-Maintenance	866	972	74	53	-	(233)
R.A.R.C.-Kitchen	1,653	1,694	128	92	-	(261)
Paper Shredding	12,920	6,684	511	4,424	2,081	(780)
Spacers	3,872	3,541	273	669	-	(611)
Shoe	4,245	2,935	224	540	-	546
Spackling	-	24	2	94	-	(120)
Dividers	<u>1,808</u>	<u>2,003</u>	<u>153</u>	<u>523</u>	<u>-</u>	<u>(871)</u>
TOTALS	<u>\$71,873</u>	<u>\$46,886</u>	<u>\$3,586</u>	<u>\$19,524</u>	<u>\$2,081</u>	<u>\$ (204)</u>

Rapides Association for Retarded Citizens
Alexandria, Louisiana

SCHEDULE OF FINDINGS, QUESTIONED COSTS
AND CORRECTIVE ACTION

Year Ended June 30, 1998

<u>FUND INVOLVED</u>	<u>FINDINGS</u>	<u>COST</u>
General Fund	98-1 <u>Inadequate Segregation of Duties</u>	N/A

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.

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

SCHEDULE OF ALLOWABLE COSTS ATTRIBUTED TO OMR CONTRACT
June 30, 1998

	<u>COST</u> <u>REPORT</u>		<u>AUDIT</u> <u>ADJUSTMENTS</u>	<u>AS</u> <u>ADJUSTED</u>
ADMINISTRATIVE AND GENERAL				
Salaries - Administrator	\$ 31,833		\$ -	\$ 31,833
Salaries - Assistant Administrator	21,620		-	21,620
Salaries - Clerical	11,212		-	11,212
Payroll Taxes	4,947		-	4,947
Unemployment	9,643	1)	(8,284)	1,359
Employee Benefits	1,013		-	1,013
Advertising	740		-	740
Insurance-Workman's Compensation	8,734	2)	(7,087)	1,647
Insurance-Liability	3,824	4)	13	3,837
Insurance-Motor Vehicle	5,376	3)	(761)	4,615
Licenses	366		-	366
Office Supplies	3,266		-	3,266
Motor Vehicle Expense	20,784		(1,262)	19,522
Postage	1,161		-	1,161
Audit & Legal	4,000		-	4,000
Telephone	2,495		-	2,495
Training, In-service	4,718		-	4,718
Travel & Seminars	<u>2,524</u>		<u>-</u>	<u>2,524</u>
Total Administrative & General	<u>138,256</u>		<u>(17,381)</u>	<u>120,875</u>
PLANT OPERATION AND MAINTENANCE				
Salaries & Wages	2,666	7)	(1,692)	974
Maintenance, Buildings & Grounds	2,044		-	2,044
Payroll Taxes	204	1)	(129)	75
Insurance-Workman's Compensation		2)	83	83
Repairs, Buildings & Grounds	4,200		-	4,200
Repairs & Maintenance, Furniture- and Equipment			-	6,196
Supplies	4,249		-	4,249
Utilities	<u>8,359</u>		<u>-</u>	<u>8,359</u>
Total Plant Operations & Maintenance	<u>27,918</u>		<u>(1,738)</u>	<u>26,180</u>
CAPITAL ASSET COST				
Depreciation - Buildings	1,347		-	1,347
Depreciation - Furniture & Equipment	624	5)	2,502	3,126
Depreciation - Motor Vehicles	<u>9,587</u>	5)	<u>648</u>	<u>10,235</u>
Total Capital Asset Cost	<u>11,558</u>		<u>3,150</u>	<u>14,708</u>

RAPIDES ASSOCIATION FOR RETARDED CITIZENS
Alexandria, Louisiana

SCHEDULE OF ALLOWABLE COSTS ATTRIBUTED TO OMR CONTRACT
June 30, 1998
(Continued)

	<u>COST REPORT</u>	<u>AUDIT ADJUSTMENTS</u>	<u>AS ADJUSTED</u>
DIETARY			
Food	660	-	660
Supplies	<u>118</u>	<u>-</u>	<u>118</u>
Total Dietary	<u>778</u>	<u>-</u>	<u>778</u>
THERAPEUTIC AND TRAINING			
Salaries	231,802	-	231,597
Employee Benefits	4,355	-	4,355
Insurance-Workman's Compensation	- 2)	2,088	2,088
Payroll Taxes	<u>17,697</u> 1)	<u>7,813</u>	<u>25,510</u>
Total Therapeutic & Training	<u>253,854</u>	<u>9,901</u>	<u>263,550</u>
TOTALS	<u>\$432,364</u>	<u>\$(6,068)</u>	<u>\$426,091</u>

- 1) To reallocate payroll taxes and reduce for taxes on unallowed wages.
- 2) To reallocate Workman's Compensation insurance and reduce for insurance on unallowed wages.
- 3) To adjust for prepaid insurance at beginning and end of the year for motor vehicles.
- 4) To adjust for prepaid insurance at the beginning and end of the year for building.
- 5) Depreciation on capital lease equipment
- 6) Insurance reimbursement
- 7) Kitchen help unallowable

See Notes to Financial Statements