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**WEST CARROLL ASSOCIATION  
FOR  
RETARDED CITIZENS, INC.  
  
OAK GROVE, LOUISIANA**

**FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

**BY  
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**WEST CARROLL ASSOCIATION  
FOR  
RETARDED CITIZENS, INC.**

**OAK GROVE, LOUISIANA**

**FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2008**

**Jimmie Self, CPA**  
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**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS,  
INC.**

**Oak Grove, LA**

**For the Year Ended June 30, 2008**

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**Independent Auditor's Report**

To the Board of Directors  
West Carroll Association for Retarded Citizens, Inc.  
Oak Grove, Louisiana

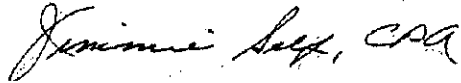
I have audited the accompanying statement of financial position of West Carroll Association for Retarded Citizens, Inc. (a not-for-profit organization – the Association) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended as listed in the accompanying Table of Contents. These financial statements are the responsibility of management of the Association. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide published by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. 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 above present fairly, in all material respects, the financial position of the Association as of June 30, 2008, and the changes in its net assets and its cash flows 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 my report dated October 30, 2008 on my consideration of the Association's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations,

contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and reporting on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



Jimmie Self, CPA  
Monroe, Louisiana  
October 30, 2008

## Financial Statements

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.**  
Oak Grove, Louisiana

**Statement of Financial Position**  
**June 30, 2008**

**Assets**

**Current Assets:**

Cash and Cash Equivalents	\$ 80,683
Investments	124,575
Accounts Receivable	21,736
Prepaid Expenses	13,990
<b>Total Current Assets</b>	<b><u>240,984</u></b>

**Fixed Assets**

Land	26,361
Building	41,515
Vehicles	31,626
Furniture and Equipment	63,791
Less Accumulated Depreciation	<u>(122,787)</u>
<b>Total Fixed Assets</b>	<b><u>40,506</u></b>

**Total Assets** **\$ 281,490**

**Liabilities and Net Assets**

**Current Liabilities:**

Compensated Absences	<u>2,188</u>
<b>Total Current Liabilities/Total Liabilities</b>	<b><u>2,188</u></b>

**Net Assets:**

Unrestricted	255,225
Operating	<u>24,077</u>
<b>Total Net Assets</b>	<b><u>279,302</u></b>

**Total Liabilities and Net Assets** **\$ 281,490**

See accompanying notes to financial statements

**WEST CARROLL ASSOCIATION  
FOR RETARDED CITIZENS, INC.**  
Oak Grove, Louisiana

**Statement of Activities  
For the Year Ended June 30, 2008**

**Support and Revenue**

Support:

Contributions	1,825
Other Providers	<u>222,252</u>
Total Support	<u>224,077</u>

Revenue

Interest	4,600
Program Receipts	44,054
Miscellaneous	<u>613</u>
Total Revenue	<u>49,267</u>

Total Support and Revenue	<u>273,344</u>
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**Expenses**

Program Services	169,145
General and administrative	80,122

Total Expenses	<u>249,267</u>
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Change in Net Assets	<u>24,077</u>
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Net Assets as of beginning of Year	<u>255,225</u>
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Net Assets as of end of Year	<u>\$ 279,302</u>
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See accompanying notes to financial statements.



**WEST CARROLL ASSOCIATION for  
RETARDED CITIZENS, INC.  
Oak Grove, Louisiana**

**STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2008**

	Program Services	General and Administrative	Total Expenses
<b>Salaries and Related Benefits</b>			
Salaries	116,856	52,906	169,762
Payroll Taxes	7,603	3,436	11,039
Health Insurance	2,735	1,354	4,089
Workmen's Compensation	2,783	1,251	4,034
Total Salaries and Related Benefits	129,977	58,947	188,924
<b>Other Expenses</b>			
Accounting	2,425	2,425	4,850
Auto Expense	19,440	-	19,440
Bakery Supplies	2,344	-	2,344
Cleaning Supplies	1,223	-	1,223
Commissions and Fees	-	200	200
Depreciation	-	5,660	5,660
Insurance - Property	2,462	2,461	4,923
Ironing Supplies	904	-	904
Janitorial	6,111	-	6,111
Meals	133	-	133
Miscellaneous Expense	117	-	117
Mowing	405	-	405
Office-Other	-	176	176
Office Supplies	-	1,246	1,246
QMRP	800	-	800
Repairs and Maintenance	669	669	1,338
Shredder	1,438	-	1,438
Supplies	71	-	71
Taxes-State	-	625	625
Telephone	627	209	836
Training	-	340	340
Travel Expense	-	823	823
Utilities	-	4,804	4,804
Unused Vacation Expense	-	1,537	1,537
<b>TOTAL EXPENSES</b>	169,145	80,122	249,267

See accompanying notes to financial statements.

**WEST CARROLL ASSOCIATION  
FOR RETARDED CITIZENS, INC.**

**Statement of Cash Flows  
For the Year ended June 30, 2008**

**Operating Activities**

Change in Net Assets	\$ 24,077
Adjustments to Reconcile increase in net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,660
Increase (decrease) in receivables	17,035
Increase (decrease) in other assets	(6,308)
Increase (decrease) in prepaid expenses	66
Increase (decrease) in accrued liabilities	230
Net cash provided (used) by operating activities	<u>40,530</u>
Net Increase (decrease) in cash and cash Equivalents	40,530
Cash and cash equivalents as of beginning of year	<u>40,153</u>
Cash and cash equivalents as of end of year	<u>\$ 80,683</u>

See accompanying notes to financial statements.

**Notes to Financial Statements**

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Oak Grove, Louisiana**  
**Notes to the Financial Statements**  
**June 30, 2008**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

West Carroll Association for Retarded Citizens, Inc. (the Association) is a non-profit organization which was chartered on January 23, 1958, to promote the general welfare of mentally retarded persons (Clients) located in Northeast Louisiana. The Association is recognized as a tax-exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code, and is exempt from federal and state income taxes.

The Clients participate and are paid for baking and selling pies to the general public, performing janitorial duties for businesses and ironing for individuals. The market for their products and services is Oak Grove, Louisiana, and surrounding areas.

The Association is governed by eight non-compensated directors who serve two-year terms on a rotating basis.

**Basis of Presentation**

The Association has adopted Statement of Financial Accounting Standards SFAS No. 117, Financial Statements of Not-for-Profit Organizations. The financial statements of the Association have been prepared in conformity with generally accepted accounting principles (GAAP).

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash is reported at net book value – the June 30, 2008, bank balance plus deposits in transit and less outstanding checks at that date. Investments consist of

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Oak Grove, Louisiana**  
**Notes to the Financial Statements**  
**June 30, 2008**

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certificates of deposit which are stated at cost plus interest earned and received to date, which approximates market. If the original maturities of time deposits exceed 90 days, they are classified as investments; however, if the maturities are 90 days or less, they are classified as cash equivalents.

**Investments**

Investments are composed of Certificates of Deposit, maturing more than 90 days after purchase.

**Accounts Receivable**

Accounts Receivable consist of claims made in June 2008. The statements contain no provision for uncollectible accounts. Management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

**Property and Equipment**

Property and equipment having estimated useful lives greater than one year are recorded at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation is computed using the straight-line method over the following estimated useful lives of the property and equipment.

Building and Improvements	10 - 35 years
Equipment	5 - 10 years
Vehicles	5 years

Maintenance and repairs are charged to operations; significant improvements costing \$500 or more are capitalized. The cost and related accumulated depreciation of assets retired or otherwise disposed are eliminated from the accounts and the resulting gain or loss is included in operations.

**Support and Revenue**

Revenues received under programs funded by the State of Louisiana are recorded as revenue when the Association has incurred expenditures in compliance with the specific restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Contributed Services**

The Association receives a substantial amount of services donated by its members in carrying out the Association's operations. No amounts have been reflected in the financial statements for

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Oak Grove, Louisiana**  
**Notes to the Financial Statements**  
**June 30, 2008**

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those services as they do not meet the criteria for recognition under SFAS 116, *Accounting for Contributions Received and Contributions Made*.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Compensated Absences**

Full time Association employees will be given one day per month with pay for sick and emergency, or personal leave. Mary Biggs Services employees are given one-half day per month with pay after a six month trial period of employment, for sick and emergency, or personal. If the sick pay, etc., isn't used it is carried over to the next year.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Association maintains checking accounts and certificates of deposits at local financial institutions. Interest-bearing and non-interest bearing accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 each. The balance of funds held at the local financial institutions as of June 30, 2008, were adequately insured by the FDIC and securities pledged by the bank.

Cash and cash equivalents totaling \$80,683 at June 30, 2008, and investments totaling \$124,575, all deposited in local financial institutions consisted of the following:

Demand deposits	\$ 80,683
Certificates of deposit	<u>124,575</u>
<b>TOTAL</b>	<b><u>\$ 205,258</u></b>

Investing is performed in accordance with investment policies complying with state statutes and the Association's charter. The investments of the Association are categorized to give an indication of the level of risk assumed by the Association at June 30, 2008. The categories are described as follows:

Category 1 – Insured or registered, with securities held by the entity or its agents in the entity's name.

Category 2 – Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the entity's name.

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Oak Grove, Louisiana**  
**Notes to the Financial Statements**  
**June 30, 2008**

Category 3 - Uninsured and unregistered, with securities held by the counter-party, in its trust department in the entity's name.

All investments are certificates of deposit with maturity dates that exceed ninety days.

These deposits are stated at cost, which approximates market. 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 bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposits on with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2008, the Association had \$148,833 deposits in Regions Bank and \$36,618 State Farm Bank in deposits (collected bank balances). The deposits are secured by \$200,000 of federal deposit insurance (Category 1) and Regions Bank Securities. The deposits are adequately insured.

**NOTE 3. PROPERTY AND EQUIPMENT**

The major classes of owned property and equipment at June 30, 2007, are summarized below:

Category	Beginning Balance	Addns	Balance Before Deprec	Current Deprec	Total All Deprec	Ending Balance
Land	26,361	-	26,361	-	-	26,361
Bldg/Improvements	41,139	376	41,515	796	33,522	7,993
Equipment	93,662	1,754	95,416	4,864	89,265	6,152
Balance before Deprec	<u>161,163</u>	<u>2,130</u>	<u>163,292</u>	<u>5,660</u>	<u>122,787</u>	<u>40,506</u>

Additions

Equipment:

Server - Shredder 1,388

Computer 366

Non-Cash Contribution 376

Total Additions 2,130

**NOTE 4. ECONOMIC DEPENDENCY**

Substantially all of the Association's revenues are derived from the State of Louisiana, under its vocational/rehabilitative services and Title XIX programs. Funding for the service program is

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Oak Grove, Louisiana**  
**Notes to the Financial Statements**  
**June 30, 2008**

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provided on a year-to-year basis, with no requirement that the program be renewed at all, or if renewed, that funding levels be maintained or increased.

**NOTE 5. ACCRUED EXPENSES**

The accrued expenses consist of compensated absences at the year-end in the amount of \$2,188.

**Income Taxes**

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3). In addition, the Association has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

**NOTE 6. POST-EMPLOYMENT BENEFITS**

Post employment benefits consist of social security and accrued vacation pay.

**NOTE 7. RISK ASSESSMENT**

The Association is at risk for various types of liability and damages. They have obtained insurance through Moreman, Moore, and Company, Inc. insurance agency, 820 Jordan Street, Suite 400, Shreveport, LA, providing General, Professional, and Specific Liability coverage, property damage insurance coverage, and automobile coverage for the Association's three client transport vans. The insurance agency also provides workmen's compensation coverage for the Association through Louisiana Commerce and Trade SIF.



**Required Supplementary Information**

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

Board of Directors of  
West Carroll Association for Retarded Citizens, Inc.

I have audited the basic financial statements of West Carroll Association for Retarded Citizens, Inc., (a non-profit organization – the Association), as of and for the year ended June 30, 2008, and have issued my report thereon dated October 30, 2008, which collectively comprise the Association's basic financial statements. 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; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Association's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or its employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify

any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the management of the Association, others within the Association, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Jimmie Self, CPA  
Monroe, Louisiana  
October 30, 2008

**Additional Supplementary Information**

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS,  
INC.  
Oak Grove, LA**

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**SCHEDULE OF FINDINGS AND RESPONSES  
For the Current Year Ended June 30, 2008**

Part I – Summary of the Auditor’s Results

Financial Statement Audit:

1. The independent auditor’s report expresses an unqualified opinion.
2. There were no instances of noncompliance material to the financial statements of the Association as required to be reported in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.
3. There were no control deficiencies required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States

Audit of Federal Awards:

During the year ended June 30, 2008, there was no federal financial assistance received by the West Carroll Association for Retarded Citizens, Inc.

PART II – Findings relating to the financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

None

**SCHEDULE OF FINDINGS AND RESPONSES  
For the Prior Year Ended June 30, 2007**

PART I – Summary of the Auditor’s Results

Financial Statement Audit:

1. The auditor’s report expressed an unqualified opinion.
2. There were no instances of noncompliance material to the financial statements of the West Carroll Association for Retarded Citizens, Inc., as required to be reported in accordance with *Government Auditing Standards*.
3. There were no reportable conditions required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.

**WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS,  
INC.  
Oak Grove, LA**

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Audit of Federal Awards:

During the year ended June 30, 2007, there was no federal financial assistance received by the West Carroll Association of Retarded Citizens, Inc.

PART II – Finding(S) related to the financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*:

None