

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

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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 2/10/10

**BY
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AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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

Oak Grove, LA

For the Year Ended June 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
<u>Financial Statements</u>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-13
<u>Required Supplementary Information</u>	
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
<u>Additional Supplementary Information</u>	
Schedule of Findings and Responses	18

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Independent Auditor's Report

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

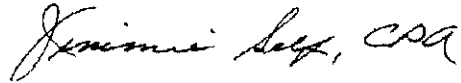
I have audited the accompanying statement of financial position of West Carroll Association for Retarded Citizens, Inc. (a not-for-profit organization – the Association) as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended as listed 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, 2009, 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 December 17, 2009 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.

A handwritten signature in cursive script that reads "Jimmie Self, CPA".

Jimmie Self, CPA
Monroe, Louisiana
December 17, 2009

Financial Statements

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

Statement of Financial Position
June 30, 2009

Assets

Current Assets:

Cash and Cash Equivalents	\$ 82,542
Investments	131,639
Accounts Receivable	15,711
Total Current Assets	<u>229,892</u>

Fixed Assets

Land	26,361
Building	41,515
Vehicles	31,625
Furniture and Equipment	<u>63,791</u>
	163,292
Less Accumulated Depreciation	<u>(127,882)</u>
Total Fixed Assets	<u>35,410</u>

Total Assets \$ 265,302

Liabilities and Net Assets

Current Liabilities:

Payroll taxes payable	\$ 58
Compensated Absences	<u>2,157</u>
Total Current Liabilities/Total Liabilities	<u>2,215</u>

Net Assets:

Unrestricted	265,315
Operating	<u>(2,228)</u>
Total Net Assets	<u>263,087</u>

Total Liabilities and Net Assets \$ 265,302

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, 2009**

Support and Revenue

Support:

Contributions	\$ 2,407
Other Providers	202,540
Total Support	<u>204,947</u>

Revenue:

Interest	7,303
Program Receipts	45,681
Miscellaneous	1,272
Total Revenue	<u>54,256</u>
Total Support and Revenue	<u>259,203</u>

Expenses

Program Services	216,326
General and Administrative	45,105
Total Expenses	<u>261,431</u>

Change in Net Assets (2,228)

Net Assets as of Beginning of Year	279,304
Prior Period Adjustment (Note # 8)	(13,989)
Net Assets Adjusted Balance at Beginning of Year	<u>265,315</u>
Net Assets as of End of Year	<u>\$ 263,087</u>

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, 2009**

	Program Services	General and Administrative	Total Expenses
Salaries and Related Benefits:			
Salaries	\$ 136,950	\$ 32,083	\$ 169,033
Payroll Taxes	11,447	2,454	13,901
Health Insurance	7,200	1,731	8,931
Workmen's Compensation	3,287	641	3,928
Total Salaries and Related Benefits	158,884	36,909	195,793
Other Expenses:			
Accounting	5,800	-	5,800
AG Supplies	-	386	386
Auto Expense	14,848	-	14,848
Bakery Supplies	-	4,742	4,742
Cleaning Supplies	3,789	24	3,813
Commissions and Fees	38	-	38
Depreciation	5,095	-	5,095
Insurance - Property	4,314	-	4,314
Insurance - Other	2,764	-	2,764
Ironing Supplies	-	1,259	1,259
Janitorial	7,260	504	7,764
Meals	27	-	27
Miscellaneous Expense	75	-	75
Mowing	480	-	480
Office-Other	284	-	284
Office Supplies	696	1,197	1,893
Other	260	-	260
QMRP	800	-	800
Repairs and Maintenance	4,038	60	4,098
Shredder	-	24	24
Taxes-State	570	-	570
Telephone	858	-	858
Training	190	-	190
Travel Expense	576	-	576
Utilities	4,680	-	4,680
TOTAL EXPENSES	\$ 216,326	\$ 45,105	\$ 261,431

See accompanying notes to financial statements.

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

**Statement of Cash Flows
For the Year Ended June 30, 2009**

Cash flow from Operating Activities

Cash received from customers	\$ 76,998
Cash paid to suppliers	(64,426)
Cash paid to employees	(183,014)
Income from contracts	172,301
Net Cash Provided from Operating Activities	<u>1,859</u>

Net increase (decrease) in cash and cash equivalents	1,859
Cash and cash equivalents as of beginning of year	80,683
Cash and cash equivalents as of end of year	<u>\$ 82,542</u>

Reconciliation of operating income to net cash provided by operations

Operating income (loss)	\$ (2,228)
Depreciation	5,095
Change in assets and liabilities	(1,008)
Net Cash Provided by Operating Activities	<u>\$ 1,859</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, 2009

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 as of the report date, 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, 2009

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 as of the report date. 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, 2009

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 \$250,000 each. The balance of funds held at the local financial institutions as of June 30, 2009, were adequately insured by the FDIC and securities pledged by the bank.

At June 30, 2009, cash and cash equivalents totaling \$82,542 and investments totaling \$131,639, all deposited in local financial institutions consisted of the following:

Demand deposits	\$ 82,542
Certificates of Deposit	131,639
TOTAL	<u>\$ 214,181</u>

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, 2009. 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, 2009

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 deposit insurance must at all times equal the amount on deposits 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, 2009, the Association had \$176,450 on deposit in Regions Bank and \$37,731 on deposit in State Farm Bank (collected bank balances). The deposits are secured by \$250,000 of federal deposit insurance in each bank (total \$500,000) (Category 1). The deposits are adequately insured.

NOTE 3. PROPERTY AND EQUIPMENT

The major classes of owned property and equipment at June 30, 2009, are summarized below:

<u>Category</u>	<u>Beginning Balance</u>	<u>Addns</u>	<u>Balance Before Deprec</u>	<u>Accum Deprec</u>	<u>Current Deprec</u>	<u>Total Deprec</u>	<u>Ending Balance</u>
Land	26,361	-	26,361	-	-	-	26,361
Bldg/Improvements	41,515	-	41,515	33,522	796	34,318	7,197
Equipment	95,416	-	95,416	89,265	4,299	13,564	1,852
Totals	<u>163,292</u>	<u>-</u>	<u>163,292</u>	<u>122,787</u>	<u>5,095</u>	<u>127,882</u>	<u>35,410</u>

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 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 accrued vacation payable at the year-end in the amount of \$2,157.

WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana
Notes to the Financial Statements
June 30, 2009

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.

NOTE 8. PRIOR PERIOD ADJUSTMENT

The prior period adjustment of 13,989 is a result of a pre-paid expense of \$13,989 shown as other assets on balance sheet of 2007, and carried forward to 2008. This adjustment resulted in a decrease in prior period net assets, and an increase in net assets for fiscal year ended 6-30-09.

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, 2009, and have issued my report thereon dated December 17, 2009, 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.

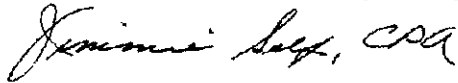
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify

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
December 17, 2009

Additional Supplementary Information

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

SCHEDULE OF FINDINGS AND RESPONSES

For the Current Year Ended June 30, 2009

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, 2009, 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, 2008

None