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

*General Purpose Financial Statements
And Independent Auditor's Report
June 30, 2002
With Supplemental Information Schedules*

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 1/15/03

DARLA S. TURNER, CPA
A Professional Accounting Corporation
3001 Armand, Suite C
Monroe, Louisiana 71201

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

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June 30, 2002**

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

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

I have audited the accompanying statement of financial position of West Carroll Parish Association for Retarded Citizens, Inc., (a nonprofit organization) as of June 30, 2002, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the management of West Carroll Parish Association for Retarded Citizens, Inc. 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 evaluation of 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 West Carroll Parish Association for Retarded Citizens, Inc., as of June 30, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 16, 2002, on my consideration of West Carroll Parish Association for Retarded Citizens, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

December 16, 2002

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

Exhibit A

**STATEMENT OF FINANCIAL POSITION
June 30, 2002**

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 179,971
Accounts receivable	10,785
Accrued interest	2,695
	<hr/>
Total Current Assets	193,451
	<hr/>
Fixed Assets	
Land	26,361
Building	34,911
Vehicles	62,046
Furniture and equipment	27,884
	<hr/>
	151,202
Less: accumulated depreciation	(95,399)
Total Fixed Assets	55,803
	<hr/>
	<hr/>
	TOTAL ASSETS
	249,254
	<hr/> <hr/>
Unrestricted net assets	249,254
	<hr/>
	TOTAL NET ASSETS
	\$ 249,254
	<hr/> <hr/>

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

Exhibit B

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2002**

SUPPORT AND REVENUE

Support

Grants and contracts	\$ 108,798
Contributions	3,348
Other providers	<u>62,808</u>

Total support 174,954

Revenue

Interest	4,279
Program receipts	35,466
Miscellaneous	-
Total revenue	<u>39,745</u>

TOTAL SUPPORT AND REVENUE 214,699

EXPENSES

Program services 166,083

Support services

General and administrative 35,609

TOTAL EXPENSES 201,692

CHANGE IN NET ASSETS 13,007

NET ASSETS, BEGINNING OF YEAR 236,247

NET ASSETS, END OF YEAR \$ 249,254

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

Exhibit C

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2002**

Cash Flows From Operating Activities:

Change in net assets	\$	13,007
Adjustments to reconcile change in net assets to net cash used for operating purposes:		
Depreciation		11,899
Decrease in receivables		6,244
Decrease in other assets		1,140
Decrease in accounts payable		-
Non-cash donations		-
		<hr/>
Net cash provided by operating activities		32,290

Cash Flows From Investing Activities:

Acquisition of equipment and improvements		(320)
		<hr/>
Net cash used by investing activities		(320)

Cash Flows From Financing Activities:

		<hr/>
Net cash provided by financing activities		-

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,970
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CASH AND CASH EQUIVALENTS - JULY 1, 2001	148,001
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CASH AND CASH EQUIVALENTS - JUNE 30, 2002	\$ 179,971
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**WEST CARROLL PARISH ASSOCIATION
FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana**

Exhibit D

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2002**

	Program Services	General and Administrative	Total Expenses
Salaries and Related Benefits			
Salaries	\$ 112,934	\$ 13,958	\$ 126,892
Related Benefits	6,782	2,929	9,711
Worker's compensation	-	-	-
Total Salaries and Related Benefits	119,716	16,887	136,603
Other Expenses			
Consulting	-	800	800
Insurance	18,828	-	18,828
Janitorial	7,511	-	7,511
Legal and accounting	-	5,582	5,582
Miscellaneous	297	65	362
Office and postage	1,126	-	1,126
Supplies	4,340	-	4,340
Repairs and maintenance	3,764	-	3,764
Telephone	253	-	253
Training	-	376	376
Transportation	6,816	-	6,816
Utilities	3,432	-	3,432
	Total expenses before depreciation	23,710	189,793
	Depreciation	11,899	11,899
	TOTAL EXPENSES	\$ 35,609	\$ 201,692

The accompanying notes are an integral part of this statement.

EXHIBIT E

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

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

West Carroll Parish Association for Retarded Citizens, Inc. (the "Association") is a nonprofit organization which was chartered on January 23, 1958, to promote the general welfare of mentally retarded persons.

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

Basis of Presentation:

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.

Cash and Cash Equivalents:

Cash is reported at net book value – the June 30, 2002, bank balance plus deposits in transit and less checks that have not cleared the bank as of that date. Investments consist of 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 original maturities are 90 days or less, they are classified as cash equivalents.

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.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimate

EXHIBIT E

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

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Uncollectible Allowance:

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 purchased or constructed are stated at historical cost. Donated property and equipment are stated at fair value at the date of donation. The Association has elected not to imply a time restriction on donated property and equipment.

Depreciation expense is provided on buildings and equipment on the straight-line method over the following estimated useful lives:

Building and improvements	10 - 35 years
Equipment	5 - 15 years
Vehicles	5 years

Maintenance and repairs of property and equipment are charged to operations while major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and 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.

Functional Allocation of Expenses:

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

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

EXHIBIT E

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

**NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2002**

NOTE 2. PROPERTY AND EQUIPMENT

A summary of the categories and applicable depreciation at June 30, 2002, is as follows:

<u>Category</u>	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>
Land	\$ 26,361	\$ -	\$ -
Buildings and improvements	34,911	1,678	22,650
Equipment	62,046	8,847	45,852
Total	<u>\$ 151,202</u>	<u>\$ 11,899</u>	<u>\$ 95,399</u>

NOTE 3. CONCENTRATION OF CREDIT RISK

The Association maintains checking accounts and certificates of deposits at two local financial institutions. Interest bearing and non-interest bearing accounts at each financial institution are insured by the Federal Deposits Insurance Corporation (FDIC) up to \$100,000 each. The balance of funds held at one of the local financial institutions exceeded federally insured limits by \$8,990, as of June 30, 2002, while funds at the other local financial institution were adequately insured by the FDIC. As of the date of this report, the excess funds had been transferred and were adequately insured by the FDIC.

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.

The Association's contract for the service program with the state contains a number of terms regarding service provision, insurance requirements, etc. Management is of the opinion that the Association is in substantial compliance with those terms. Case managers monitor the Association's records periodically.

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

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

I have audited the financial statements of West Carroll Parish Association for Retarded Citizens, Inc., (a nonprofit organization) as of and for the year ended June 30, 2002, and have issued my report thereon dated December 16, 2002. 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 West Carroll Parish Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs,

Internal Control Over Financial Reporting

In planning and performing my audit, I considered West Carroll Parish Association for Retarded Citizens, Inc.'s internal control over 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management of West Carroll Parish Association for Retarded Citizens, Inc., funding agencies, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

December 16, 2002

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2002**

SUMMARY OF AUDITOR'S RESULTS

1. My auditor's report expresses an unqualified opinion on the general purpose financial statements of the West Carroll Parish Association For Retarded Citizens, Inc..
2. One instance of noncompliance material to the financial statements of the West Carroll Parish Association For Retarded Citizens, Inc. is reported in the Independent Auditor's Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards.
3. There were no major federal awards

FINDINGS - FINANCIAL STATEMENT AUDIT

Criteria:

La Rev. Stat. 39:1225 Security for deposits; amount of security. The amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

La. Rev. Stat. 39-1226. Additional security; failure to provide. If the security required under the provisions of R.S. 39:1231, R. S. 39:1223, R.S. 39:1224, or R.S. 39:1225 is not furnished by a fiscal agency or depository bank, the depositing authority may require such additional or other security as shall bring the total to the required amount. If any bank fails to comply, within five business days from receipt of demand for such additional security, a meeting of the depositing authority may forthwith convene and declare the contract canceled. If canceled the depositing authority shall immediately proceed in the same manner as in the same of original letting, and relet the deposits of the bank for the unexpired term of the agency, under the terms and upon the conditions provided in this Chapter.

Statement of Condition:

The Association maintains checking accounts and certificates of deposit at two local financial institutions. Interest bearing and non-interest bearing accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$100,000 each. The balance of funds held at one of the local financial institutions exceeded federally insured limits by \$8,990, as of June 30, 2002, while funds at the other local financial institution were adequately insured by the FDIC. As of the date of this report, the excess funds had been transferred and were adequately insured by the FDIC.

Recommendation:

I recommended that the Association either require the financial institution to adequately safeguard the collected funds on deposit to the credit of the Association by pledging additional securities for deposits not covered by the FDIC and that management of the Association monitor regularly the adequacy of the security pledged on its deposits.

Response:

Management has advised that it will take steps to follow my recommendations and take steps to remedy this finding.

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2002**

SECTION A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

2000-01 Inadequate Segregation of Duties

Adequate segregation of duties is essential to proper control

Unresolved - 200-01

SECTION B - MANAGEMENT LETTER

None issued.