

OFFICIAL
FILE COPY

DO NOT SEND OUT

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

RECEIVED

JAN 04 1999

LEGISLATIVE AUDITOR

099600507
9585

WEST CARROLL PARISH ASSOCIATION
FOR RETARDED CITIZENS, INC.

OAK GROVE, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
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 24 1999

WEST CARROLL PARISH ASSOCIATION
FOR RETARDED CITIZENS, INC.

FINANCIAL STATEMENTS

JUNE 30, 1998

CONTENTS

	PAGE
Accountant's Report on Financial Statements	1
FINANCIAL STATEMENTS	
Statement of financial position	2
Statement of activities	3
Statement of cash flow	4
Statement of functional expenses	5
Notes to financial statements	6
Accountant's Report on Applying Agreed- Upon Procedures	
SCHEDULE OF FINDINGS	13

JOHN M. GATHINGS
CERTIFIED PUBLIC ACCOUNTANT
Hwy. 2 East – Oak Grove, Louisiana 71263

318/428-2973

P.O. BOX 1088

ACCOUNTANT'S REPORT ON FINANCIAL STATEMENTS

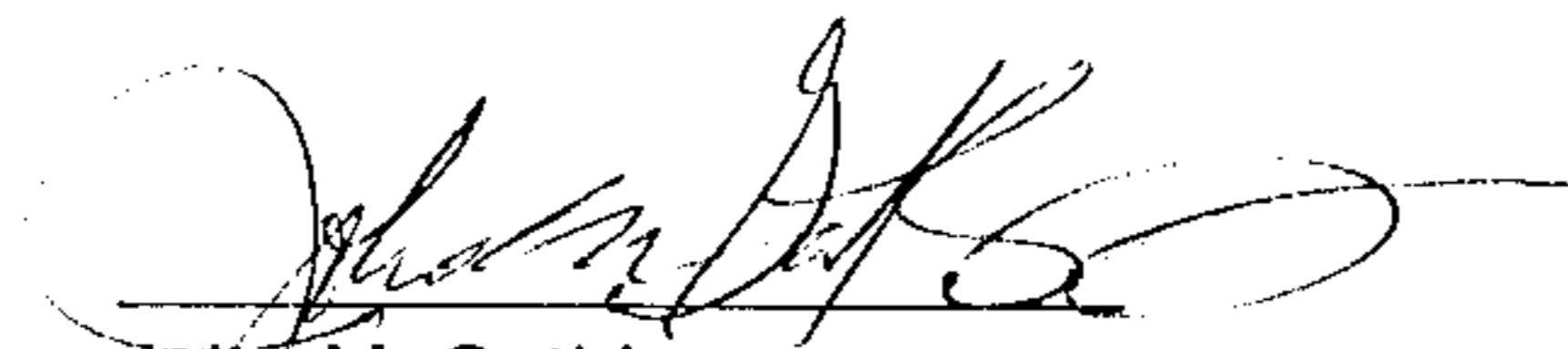
Mr. Richard Boutwell, President
West Carroll Parish Association for Retarded Citizens, Inc.
Oak Grove, Louisiana 71263

Mr. Boutwell:

I have compiled the accompanying statement of financial position of West Carroll Parish Association for Retarded Citizens, Inc., (a nonprofit organization) as of June 30, 1998 and the related statements of activities, cash flows and functional expenses, for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the West Carroll Parish Association for Retarded Citizens, Inc. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated December 14, 1998, on the results of my agreed-upon procedures.



John M. Gathings
Certified Public Accountant

December 14, 1998

WEST CARROLL PARISH ASSOCIATION
FOR RETARDED CITIZENS, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 1998

ASSETS

CURRENT ASSETS:

Cash (Note 1)	\$74,614.49
Certificates of deposit (Note 1)	78,520.26
Accounts receivable	12,264.00
Prepaid expenses	<u>121.56</u>

Total Current Assets \$165,520.31

NONCURRENT ASSETS:

Land, building and equipment - net (Notes 1 and 2)	<u>\$48,857.72</u>
--	--------------------

TOTAL ASSETS \$214,378.03

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$746.36
Payroll Taxes Payable	<u>601.00</u>

Total Current Liabilities \$1,347.36

NET ASSETS - UNRESTRICTED (Note 1) \$213,030.67

TOTAL LIABILITIES AND NET ASSETS \$214,378.03

See accompanying notes and accountant's report

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

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

Revenues and other support:	
Contributions	\$3,279.60
Fees:	
Division of Mental Retardation	98,006.00
Title XIX	16,748.87
Other Providers	28,440.00
Program Receipts	39,186.12
Interest and Miscellaneous	<u>4,947.30</u>
Total Revenues and Other Support	<u>\$190,607.89</u>
Expenses:	
Program	\$181,117.25
Management and general	<u>7,886.97</u>
Total Expenses	<u>\$189,004.22</u>
Increase in Net Assets	\$1,603.67
Net Assets – Unrestricted – Beginning	<u>\$211,427.00</u>
Net Assets – Unrestricted – Ending	<u><u>\$213,030.67</u></u>

See accompanying notes and accountant's report

WEST CARROLL PARISH ASSOCIATION
FOR RETARDED CITIZENS, INC.

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

CASH FLOWS FROM OPERATION ACTIVITIES

Increase (decrease) in net assets	\$1,603.67
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,154.28
(Increase) decrease in accounts receivable	3,165.00
(Increase) decrease in prepaid expense	0.00
Increase (decrease) in accounts payable	746.36
Increase (decrease) in accrued expenses	<u>52.00</u>

Net Cash Flows from Operating Activities \$8,721.31

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(\$2,500.00)
Sale of property and equipment	0.00
Purchase of certificate of deposits	0.00
Interest earned	<u>(3,120.21)</u>

Net Cash Used by Investing Activities (\$5,620.21)

Net Increase (decrease) in cash \$3,101.10

Cash - Beginning \$71,513.39

Cash - Ending \$74,614.49

See accompanying notes and accountant's report

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

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 1998**

	<u>MANAGEMENT AND GENERAL</u>	<u>PROGRAM</u>	<u>TOTALS</u>
Consulting	\$1,300.00	\$0.00	\$1,300.00
Depreciation	3,154.28	0.00	3,154.28
Insurance	0.00	15,811.36	15,811.36
Legal and Accounting	2,438.80	0.00	2,438.80
Miscellaneous	993.89	1,063.60	2,057.49
Office and Postage	0.00	775.69	775.69
Repair and Maintenance	0.00	9,512.16	9,512.16
Salaries	0.00	123,782.17	123,782.17
Supplies	0.00	6,730.23	6,730.23
Taxes and Licenses	0.00	257.25	257.25
Taxes - payroll	0.00	9,408.27	9,408.27
Telephone	0.00	249.51	249.51
Transportation	0.00	9,072.95	9,072.95
Travel	0.00	248.46	248.46
Utilities	<u>0.00</u>	<u>4,205.60</u>	<u>4,205.60</u>
Total Functional Expenses	<u><u>\$7,886.97</u></u>	<u><u>\$181,117.25</u></u>	<u><u>\$189,004.22</u></u>

See accompanying notes and accountant's report

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

West Carroll Parish Association for Retarded Citizens, Inc., (the "Association") is a nonprofit organization exempt from income tax under Section 501(c) 3 of the Internal Revenue Code. 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. The Association was chartered on January 23, 1958, to promote the general welfare of mentally retarded persons.

The financial statements of the Association have been prepared in conformity with generally accepted accounting principles. The following is a summary of the more significant policies:

Unrestricted, Temporarily Restricted and Permanently Restricted Net Assets:

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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:

Cash is reported at net book value – the June 30, 1998, bank balance plus deposits in transit and less checks that have not cleared the bank as of that date.

See accompanying notes and accountant's report

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

NOTES TO FINANCIAL STATEMENTS

Certificates of Deposit:

Certificates of deposit are carried at cost plus interest earned and received to date.

Plant Assets:

Plant assets are recorded at historical cost. Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and the gain or loss is included in operations.

Depreciation of buildings and equipment is computed by the straight-line method over the following estimated service lives:

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

Revenues and Other Support:

Revenues received under government grant programs are recorded as revenues 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.

Note 2. Accounts Receivable

A summary of the accounts receivable at June 30, 1998 is as follows:

Div. of Mental Retard.	\$6,397
Title XIX	3,467
Other Providers	<u>2,400</u>
	\$12,264

See accompanying notes and accountant's report

WEST CARROLL PARISH ASSOCIATION
FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

Note 3. Land, Building and Equipment

A summary of the property held at June 30, 1998 is as follows:

Building	\$34,911
Equipment	25,144
Vehicles	<u>53,238</u>
	\$113,293
Less accumulated depreciation	<u>\$90,796</u>
	\$22,497
Land	<u>\$26,361</u>
Net Assets	<u><u>\$48,858</u></u>

See accompanying notes and accountant's report

JOHN M. GATHINGS
CERTIFIED PUBLIC ACCOUNTANT
Hwy. 2 East – Oak Grove, Louisiana 71263

318/428-2973

P.O. BOX 1088

ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Richard Boutwell, President
West Carroll Parish Association for Retarded Citizens, Inc.
Oak Grove, Louisiana 71263

Mr. Boutwell:

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of West Carroll Parish Association for Retarded Citizens, Inc., the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about West Carroll Parish Association for Retarded Citizens, Inc.'s compliance with certain laws and regulations during the year ended June 30, 1998 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

FEDERAL, STATE, AND LOCAL AWARDS

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

West Carroll Parish Association for Retarded Citizens, Inc. received a contract from Division of Mental Retardation for the fiscal year ended June 30, 1998.

In addition to this contract they received from Title XIX and Delta America, funds for assisting their clients.

2. From the funds received from these three contracts, I randomly selected (6) disbursements made during the period under examination.
3. For the items selected in procedure 2, I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of the six selected disbursements and found that payments was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, I determined if the six disbursements were properly coded to the correct fund and general ledger accounts.

All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, I determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements showed that the checks required two board members' signature to be paid. The major expenditures were approved by the board and reflected in the minutes. The hiring of any new personnel was approved by the board and reflected in the minutes.

6. For the items selected in procedure 2: I determined if the disbursements complied with the applicable contract spending guidelines.

I reviewed the previously listed disbursements for allowability, eligibility, and reporting requirements. I found that all disbursement meet the above criteria for the contract as to allowability, eligibility, and were properly recorded.

7. For the programs selected for testing in item (2) none were for closed out contracts during the period under review.

MEETINGS

8. I examined evidence indicating that agendas for meetings recorded in the minute books were posted as an open meeting as required by LSA-RS 42:1 through 42.12 (the open meeting law).

The Association is only required to notify the board members by telephone of the matters to be presented at the quarterly board meetings. After talking with a majority of the board members, no one stated that they did not know what was to be discussed at the meetings prior to the meeting time.

COMPREHENSIVE BUDGET

9. The Association did not receive any grants during the period under consideration. The only requirement place on them is that they present a detailed report of costs and income to the contracting agency within six months of the year end for the Association. I examined the report issued for the year ended June 30, 1997 and it met the requirements set forth in the contract.

PRIOR COMMENTS AND RECOMMENDATIONS


10. I reviewed the prior-year finding to determine the extent to which such matters have been resolved.

The only prior-year finding was that the segregation of duties was inadequate for proper internal control. Due to economic and space limitations this is a common problem with small agencies and businesses. The Association has separated the duties of collecting the monies and depositing and posting the revenues to the accounts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of West Carroll Parish Association for Retarded Citizens, Inc., the Legislative Auditor (State of Louisiana), and the applicable state agency and should not be used by those who have not agreed to

the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



John M. Gathings
Certified Public Accountant

December 14, 1998

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

**SCHEDULE OF FINDINGS
For the Year Ended June 30, 1998**

Criteria: Management of cash assets

Condition: The cash assets should be kept below \$100,000 in any one financial institution or the bank must pledge assets to cover the amount over \$100,000.

Cause: All funds are on deposit in Regions Bank.

Effect: The amount of funds over \$100,000, \$53,134, is not covered by FDIC.

Recommendation: Move some of the funds to a different banking institution or have Regions Bank buy Federal T-Bills and pledge them to your accounts.

Management's response: We will transfer part of our cash deposits to another banking institution.

LOUISIANA ATTESTATION QUESTIONNAIRE

July 22, 1998 Date

John M. Gathings
Certified Public Accountant
P.O. Box 1088
Oak Grove, LA 71263

In connection with your compilation of our financial statements as of June 30, 1998 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 07-22-98 (date of completion).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value whether in the form of a service, loan, or promise from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes No

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60 - 1410.65.

Yes No

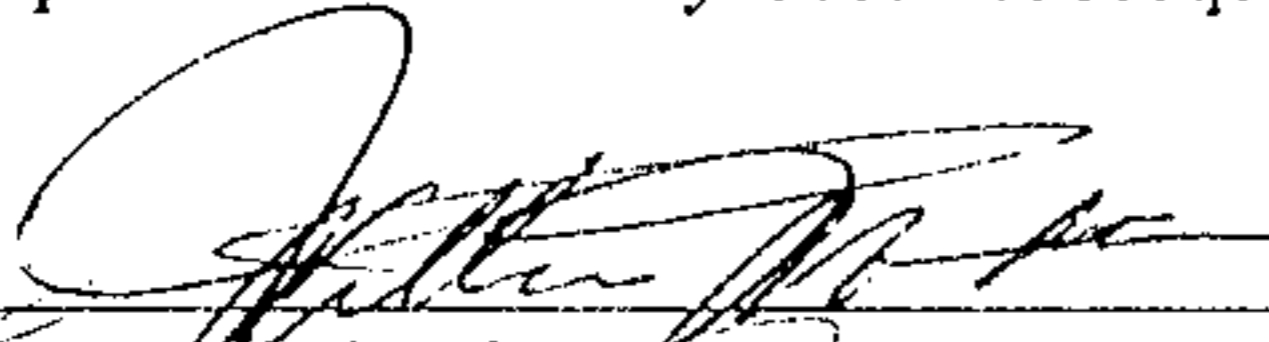
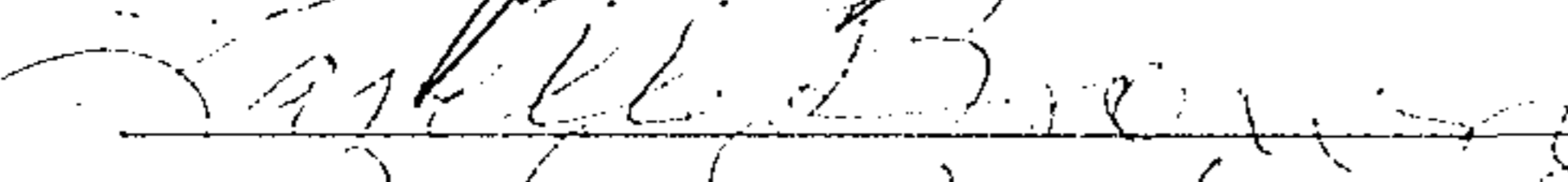
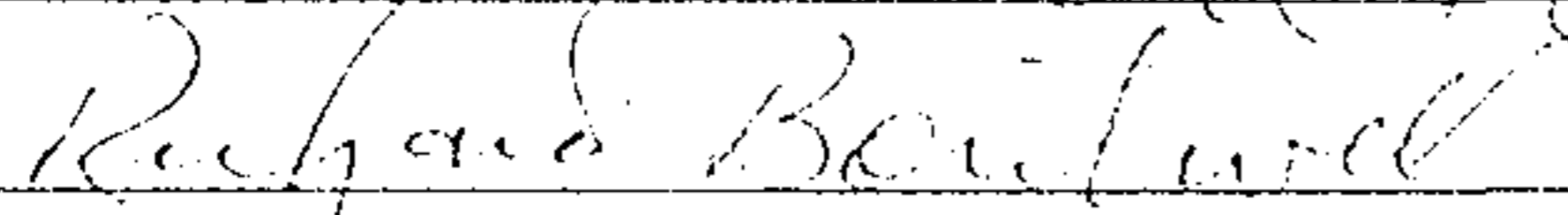
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	<u>July 21, 1998</u>	Date
	Treasurer	<u>7-21-98</u>	Date
	President	<u>7-22-98</u>	Date

1) Immediate family members and outside business interests of the chief executive officer and each board member:

Chief executive officer: Richard Boutwell, President

Immediate family members: Betty Ann Boutwell, Brady Boutwell

Outside business interest of officer and immediate family members: Farmer
Betty Ann Boutwell--Housewife, Brady Boutwell--Dependent

Board member: Roy Doshier, Vice President

Immediate family members: Brenda Doshier

Outside business interest of member and immediate family members: Retired
Brenda Doshier--Housewife

Board member: William Moden, Secretary

Immediate family members: Martha Moden

Outside business interests of member and immediate family members: Pastor
and Postal Employee, Martha Moden--Piano Teacher

1) Immediate family members and outside business interests of the chief executive officer and each board member:

Chief executive officer: Lavelle Brown, Treasurer

Immediate family members: Lanora Brown

Outside business interest of officer and immediate family members: Retired
Lanora Brown--Executive Director

Board member: Marvin Oldham, Board Member

Immediate family members: Jean Oldham

Outside business interest of member and immediate family members: Retired
Jean Oldham--Tennis Instructor

Board member: Douglas Ainsworth, Board Member

Immediate family members: Rita Ainsworth

Outside business interests of member and immediate family members: Water Company
Manager Rita Ainsworth--Secretary

Board member: Shelia Hudolin, Board Member

Immediate family members: Mike Hudolin

Outside business interests of member and immediate family members: Department of Education Employee, Mike Hudolin--Farmer and AG Pilot

Board member: Peggy Bass, Board Member

Immediate family members: Roy Bass, Kim Bass, Georganna Bass

Outside business interests of member and immediate family members: Nurse Roy Bass--Farmer, Kim Bass--Dependent, Georganna--College student.

(Attach additional schedules if needed.)

2) Employees paid during the period under examination and outside business interests:

Employee: Lanora Brown,

Outside business interest: None

Employee: Myrtis Myers

Outside business interest: None

Board member: _____

Immediate family members: _____

Outside business interests of member and immediate family members: _____

Board member: _____

Immediate family members: _____

Outside business interests of member and immediate family members: _____

(Attach additional schedules if needed.)

2) Employees paid during the period under examination and outside business interests:

Employee: Diane Putman

Outside business interest: None

Employee: Denise Welch

Outside business interest: None

Board member: _____

Immediate family members: _____

Outside business interests of member and immediate family members: _____

Board member: _____

Immediate family members: _____

Outside business interests of member and immediate family members: _____

(Attach additional schedules if needed.)

2) Employees paid during the period under examination and outside business interests:

Employee: Rodney Barron

Outside business interest: None

Employee: _____

Outside business interest: _____

Employee: Joyce Grubbs

Outside business interest: None

Employee: Mary James

Outside business interest: None

Employee: Debbie Yates

Outside business interest: None

(Attach additional schedules if needed.)

- 3) Copy of legally adopted budget and all amendments.
- 4) Evidence (copy of initialled and dated document or published notice) indicating that agendas for meetings recorded in the minute book were posted or advertised as required by the open meetings law.

Completed by:

Lanora Brown

Executive Director

Title

July 22, 1998

Date