

**WEST CARROLL
ASSOCIATION
FOR
RETARDED CITIZENS, INC.

OAK GROVE, LOUISIANA**

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

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 2/9/11

**BY
JIMMIE SELF, CPA
A PROFESSIONAL ACCOUNTING CORPORATION
2908 CAMERON STREET, SUITE - C
MONROE, LA 71201
Phone 318/323-4656 • Fax 318/388-0724**

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

OAK GROVE, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone 318/323-4656 • FAX 318/388-0724

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

Oak Grove, LA

For the Year Ended June 30, 2010

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
Summary Schedule of Findings	19

Jimmie L. Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, LA 71201
Phone (318) 323-4656 • FAX (318) 388-0724

Independent Auditor's Report

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

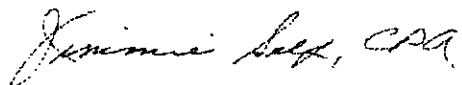
I have audited the accompanying statement of financial position of West Carroll Association for Retarded Citizens, Inc. (a non-profit organization – the Association) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended as listed in 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. 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, 2010, 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 10, 2010 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 10, 2010

Financial Statements

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

EXHIBIT 1

Statement of Financial Position
June 30, 2010

Assets

Current Assets:

Cash and Cash Equivalents	\$ 59,411
Investments	97,139
Accounts Receivable	18,323
Total Current Assets	<u>174,873</u>

Fixed Assets

Land	26,361
Building	73,140
Vehicles	89,155
	<u>188,656</u>
Less Accumulated Depreciation	(130,675)
Total Fixed Assets	<u>57,981</u>

Total Assets \$ 232,854

Liabilities and Net Assets

Current Liabilities:

Payroll taxes payable	\$ 1,595
Compensated Absences	4,714
Total Current Liabilities/Total Liabilities	<u>6,309</u>

Net Assets:

Unrestricted	<u>226,545</u>
Total Net Assets	<u>226,545</u>

Total Liabilities and Net Assets \$ 232,854

See accompanying notes to financial statements

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

EXHIBIT 2

**Statement of Activities
For the Year Ended June 30, 2010**

Support and Revenue

Support:

Contributions	\$ 2,238
Other Providers	191,000
Total Support	<u>193,238</u>

Revenue:

Interest	2,451
Program Receipts	46,745
Miscellaneous	1,152
Total Revenue	<u>50,348</u>
Total Support and Revenue	<u>243,586</u>

Expenses

Program Services	46,385
General and Administrative	232,355
Total Expenses	<u>278,740</u>

Change in Net Assets (35,154)

Net Assets as of Beginning of Year 261,699
Net Assets as of End of Year \$ 226,545

See accompanying notes to financial statements.

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

EXHIBIT 3

STATEMENT OF FUNCTIONAL EXPENSES
 For the Year Ended June 30, 2010

	Program Services	General and Administrative	Total Expenses
Salaries and Related Benefits:			
Salaries	\$ 141,565	\$ 33,516	\$ 175,081
Payroll Taxes	10,246	2,536	12,782
Health Insurance	11,277	3,026	14,303
Workmen's Compensation	3,164	892	4,056
Total Salaries and Related Benefits	<u>166,252</u>	<u>39,970</u>	<u>206,222</u>
Other Expenses:			
Accounting	5,735	-	5,735
AG Supplies	-	18	18
Auto Expense	21,983	-	21,983
Bakery Supplies	-	2,976	2,976
Cleaning Supplies	-	-	-
Commissions and Fees	352	-	352
Depreciation	2,799	-	2,799
Insurance - Property	4,114	-	4,114
Insurance - Other	5,350	-	5,350
Ironing Supplies	-	778	778
Janitorial	7,260	306	7,566
Meals	18	-	18
Miscellaneous Expense	2,181	547	2,728
Mowing	520	-	520
Office-Other	1,569	-	1,569
Office Supplies	598	151	749
Other	528	-	528
QMRP	800	-	800
Repairs and Maintenance	6,492	125	6,617
Shredder	-	195	195
Taxes-State	2,868	245	3,113
Telephone	893	-	893
Transfer	-	1,073	1,073
Training	232	-	232
Travel Expense	656	-	656
Utilities	1,155	-	1,155
TOTAL EXPENSES	<u>\$ 232,355</u>	<u>\$ 46,385</u>	<u>\$ 278,740</u>

See accompanying notes to financial statements.

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

EXHIBIT 4

**Statement of Cash Flows
For the Year Ended June 30, 2010**

Cash flow from Operating Activities

Cash received from customers	\$ 59,306
Cash paid to suppliers	(114,941)
Cash paid to employees	(166,245)
Income from contracts	<u>191,000</u>
Net Cash Provided from Operating Activities	<u>(30,880)</u>

Cash Flow from Investing Activities:

Capital used in Capital Assets	<u>(26,751)</u>
Net cash Used in Investing	<u>(26,751)</u>

Net increase (decrease) in cash and cash equivalents	(57,631)
Cash and cash equivalents as of beginning of year	<u>214,181</u>
Cash and cash equivalents as of end of year	<u>\$ 156,550</u>

Reconciliation of operating income to net cash provided by operations

Operating income (loss)	\$ (37,602)
Depreciation	5,240
Change in assets and liabilities	<u>1,482</u>
Net Cash Provided by Operating Activities	<u>\$ (30,880)</u>

NOTE. Cash equivalents include checking and investment accounts,
due to use of each for purchases.

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, 2010

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, 2010

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, 2010

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, 2010, cash and cash equivalents totaling \$59,411 and investments totaling \$97,139, all deposited in local financial institutions consisted of the following:

Demand deposits	\$ 59,411
Certificates of Deposit	97,139
TOTAL	<u>\$ 156,550</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, 2010. 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, 2010

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, 2010, the Association had \$117,924 on deposit in Regions Bank and \$38,626 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, 2010, 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	34,318	796	35,114	6,401
Equipment	95,416	-	95,416	93,564	1,852	95,416	-
Addns 2010	25,364	-	25,364	-	145	145	25,219
TOTALS	<u>188,656</u>	<u>-</u>	<u>188,656</u>	<u>127,882</u>	<u>2,793</u>	<u>130,675</u>	<u>57,981</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.

WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana
Notes to the Financial Statements
June 30, 2010

NOTE 5. ACCRUED EXPENSES

Vacation Payable

The accrued expenses consist of accrued vacation payable at the year-end in the amount of \$4,714.

Payroll Taxes

Additional accrued expenses were in the form of payroll taxes payable in the amount of \$1,595.

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. SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to and including the issue date of this report, December 10, 2010. There were no subsequent events noted which would affect the financial statements for the year ended June 30, 2010.

Required Supplementary Information

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron St, Suite C
Monroe, LA 71201
Phone (318)-323-4656 • Fax (318)388-0724

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

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

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, 2010, which collectively comprise the Association’s basic financial statements and have issued my report thereon dated December 10, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing my opinions 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement to the Association’s financial statements will not be prevented, or detected and corrected on a timely basis.

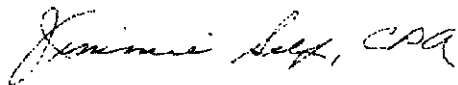
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. 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 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 such matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management of the Association, others within the Association, and the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities 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 10, 2010

Additional Supplementary Information

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 Fax (318) 388-0724

SCHEDULE OF FINDINGS AND RESPONSES

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

For the Current Year Ended June 30, 2010

None

For the Prior Year Ended June 30, 2009

None

Jimmie Self, CPA
A Professional Accounting Corporation
2908 Cameron Street, Suite C
Monroe, Louisiana 71201
Phone (318) 323-4656 Fax (318) 388-0724

SUMMARY SCHEDULE OF FINDINGS

WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana
For the Year Ended June 30, 2010

I have audited the financial statements of West Carroll Association for Retarded Citizens, Inc., a non profit corporation, as of and for the year ended June 30, 2010 and have issued my report dated December 10, 2010. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2010 resulted in an unqualified opinion (qualified, adverse, disclaimer).

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses .. yes X no Internal Control Deficiencies ___yes X no

Compliance

Compliance material to Financial Statements .. yes X no

b. Federal Awards: None

c. Identification of major Programs:

None.