



WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

FINANCIAL REPORT

JUNE 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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.

Prepared Date NOV 07 1998

HILL, INZINA & COMPANY

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

We have audited the accompanying statements of financial position of West Carroll Parish Association for Retarded Citizens, Inc., (a nonprofit organization) as of June 30, 1997 and 1996, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governor's Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of West Carroll Parish Association for Retarded Citizens, Inc., as of June 30, 1997 and 1996, and the changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Governor's Auditing Standards*, we have also issued our report dated October 23, 1997, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

October 23, 1997

Hill, Inzina & Co.

WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 1997 and 1996

	June 30,	
ASSETS	1997	1996
Current assets:		
Cash (Note 2)	\$ 71,513	\$ 48,000
Certificates of deposit (Note 1)	75,000	73,489
Accounts receivable	15,029	15,001
Prepaid expense	<u>122</u>	<u>117</u>
Total current assets	\$ 161,664	\$ 146,607
Noncurrent assets:		
Land, building and equipment - net (Notes 1 and 2)	<u>48,512</u>	<u>51,870</u>
Total assets	\$ 210,176	\$ 198,477
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ -	\$ 933
Accrued liabilities	<u>589</u>	<u>-</u>
Total current liabilities	\$ 589	\$ 933
Net assets - unrestricted (Note 2)	\$ 211,427	\$ 198,689
Total liabilities and net assets	\$ 211,576	\$ 199,622

See notes to financial statements.

WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF ACTIVITIES
Year Ended June 30, 1997 and 1996

	Year Ended June 30,	
	1997	1996
Revenues and other support:		
Contributions	\$ 1,306	\$ 802
Fees:		
Division of Mental Retardation	117,164	120,575
Title XIX	17,556	17,481
Other providers	28,528	28,399
Program receipts	32,378	27,678
Interest and miscellaneous	<u>6,516</u>	<u>4,026</u>
	<u>\$ 203,838</u>	<u>\$ 198,752</u>
Expenses:		
Program	\$ 178,482	\$ 174,400
Management and general	<u>8,190</u>	<u>12,283</u>
	<u>\$ 186,672</u>	<u>\$ 186,683</u>
Increase in net assets	\$ 15,738	\$ 12,106
Net assets - unrestricted - beginning	<u>165,682</u>	<u>183,583</u>
Net assets - unrestricted - ending	<u>\$ 211,422</u>	<u>\$ 195,689</u>

See notes to financial statements.

WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1997 and 1996

	Year Ended June 30,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 15,738	\$ 12,186
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,533	7,882
(Increase) decrease in accounts receivable	(388)	1,585
(Increase) decrease in prepaid expenses	(59)	(117)
Increase (decrease) in accounts payable	(835)	(2,369)
Increase (decrease) in accrued expenses	548	-
Net cash flows from operating activities	<u>\$ 19,484</u>	<u>\$ 19,075</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	\$ (2,990)	\$ (4,576)
Sale of property and equipment	328	-
Purchase of certificate of deposit	-	(20,008)
Interest earned	(3,911)	(2,712)
Net cash flows used by investing activities	<u>\$ (6,573)</u>	<u>\$ (27,296)</u>
Net increase (decrease) in cash	\$ 12,911	\$ (8,221)
Cash - beginning	58,185	66,406
Cash - ending	<u>\$ 71,096</u>	<u>\$ 58,185</u>

See notes to financial statements.

WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 1997

	Program	Management and General	Total
Consulting	\$ -	\$ 1,104	\$ 1,104
Depreciation	-	4,533	4,533
Insurance	14,951	-	14,951
Legal and accounting	-	2,480	2,480
Miscellaneous	143	613	756
Office and postage	584	-	584
Repairs and maintenance	11,287	-	11,287
Salaries	121,283	-	121,283
Supplies	7,542	-	7,542
Taxes and licenses	238	-	238
Taxes - payroll	9,273	-	9,273
Telephone	238	-	238
Transportation	9,266	-	9,266
Travel	256	-	256
Utilities	4,331	-	4,331
	<u>\$ 179,462</u>	<u>\$ 8,750</u>	<u>\$ 188,212</u>

See notes to financial statements.

WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 1996

	Program	Management and General	Totals
Consulting	\$ -	\$ 1,286	\$ 1,286
Depreciation	-	7,882	7,882
Insurance	14,048	-	14,048
Legal and accounting	-	3,470	3,470
Miscellaneous	188	612	800
Office and postage	772	-	772
Repairs and maintenance	7,882	-	7,882
Salaries	121,374	-	121,374
Supplies	7,541	-	7,541
Taxes - payroll	9,288	-	9,288
Telephone	206	-	206
Training	-	101	101
Transportation	8,546	-	8,546
Travel	332	-	332
Utilities	4,131	-	4,131
	\$ 174,435	\$ 13,281	\$ 188,696

See notes to financial statements.

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, 1991, bank balance plus deposits in transit and less checks that have not cleared the bank as of that date.

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 - 25 years
Equipment	5 - 10 years
Vehicles	5 years

Revenues and Other Support:

Revenues received under government grant programs 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.

Note 2. Land, Building and Equipment.

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

	1992	1991
Building	\$ 34,911	\$ 32,656
Equipment	22,644	24,214
Vehicles	53,238	53,238
	\$ 110,793	\$ 110,108
Less accumulated depreciation	82,642	84,392
	\$ 28,151	\$ 25,716
Land	28,361	28,361
	\$ 49,512	\$ 51,630

**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

We have audited the financial statements of West Carroll Parish Association for Retarded Citizens, Inc. (a nonprofit organization) as of and for the years ended June 30, 1997 and 1996, and have issued our report thereon dated October 23, 1997. We conducted our audits in accordance with generally accepted auditing standards 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 the Association's financial statements are free of material misstatement, we 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Association's ability to record, process, summarize and report financial data consistent with the accounting of management in the financial statements.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a material weakness which is described in the accompanying schedule of findings.

This report is intended for the information of management, Board of Directors and applicable state grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Price, Smyth & Co.

October 21, 1987

WEST CARROLL PARISH ASSOCIATION FOR RETARDED CITIZENS, INC.

SCHEDULE OF FINDINGS
For the Year Ended June 30, 1997

Criteria:	Adequate segregation of duties is essential to proper internal control.
Condition:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Effect:	Not determined.
Recommendation:	No action is recommended.
Management's response:	We concur in the finding.