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

*General Purpose Financial Statements
And Independent Auditor's Report
June 30, 2004
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 2-2-05

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

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

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INDEPENDENT AUDITOR'S REPORT

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 nonprofit organization) as of June 30, 2004, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of West Carroll Association for Retarded Citizens, Inc.'s management. 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 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 West Carroll Association for Retarded Citizens, Inc., as of June 30, 2004, 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 8, 2004, on my consideration of West Carroll Association For Retarded Citizens, Inc.'s internal control over financial reporting and 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 8, 2004

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

**STATEMENT OF FINANCIAL POSITION
June 30, 2004**

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 184,765
Accounts receivable	15,813
Accrued interest	1,057
Prepaid insurance	<u>12,850</u>
Total Current Assets	<u>214,485</u>
Fixed Assets	
Land	26,361
Building	37,387
Vehicles	62,046
Furniture and equipment	<u>28,510</u>
	154,304
Less: accumulated depreciation	<u>(115,986)</u>
Total Fixed Assets	<u>38,318</u>
	<u>252,803</u>
TOTAL ASSETS	\$ 252,803
LIABILITIES	
Current Liabilities	
Due to other fund	\$ 315
Compensated absences	<u>1,828</u>
Total Current Liabilities	<u>2,143</u>
Unrestricted net assets	<u>250,660</u>
TOTAL NET ASSETS	\$ 252,803

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004**

SUPPORT AND REVENUE

Support

Grants and contracts	\$	112,686
Contributions		2,435
Other providers		63,441

Total support 178,562

Revenue

Interest		3,515
Program receipts		39,578
Miscellaneous		2,577
Total revenue		<u>45,670</u>

TOTAL SUPPORT AND REVENUE 224,232

EXPENSES

Program services		213,312
Support services		
General and administrative		12,579

TOTAL EXPENSES 225,891

CHANGE IN NET ASSETS (1,659)

NET ASSETS, BEGINNING OF YEAR 252,319

NET ASSETS, END OF YEAR \$ 250,660

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

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2004**

Cash Flows From Operating Activities:	
Change in net assets	\$ (1,659)
Adjustments to reconcile change in net assets to net cash used for operating purposes:	
Depreciation	6,214
Increase in receivables	(9,043)
Increase in other assets	(531)
Increase in due to other fund	315
Increase in prepaid expenses	(12,850)
Increase in accrued expenses	1,828
	<hr/>
Net cash provided by operating activities	(15,726)
Cash Flows From Investing Activities:	
Acquisition of equipment and improvements	-
	<hr/>
Net cash used by investing activities	-
Cash Flows From Financing Activities:	
	-
	<hr/>
Net cash provided by financing activities	-
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,726)
CASH AND CASH EQUIVALENTS - JULY 1, 2003	200,491
	<hr/>
CASH AND CASH EQUIVALENTS - JUNE 30, 2004	\$ 184,765
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2004**

	Program Services	General and Administrative	Total Expenses
Salaries and Related Benefits			
Salaries	\$ 137,210	\$ -	\$ 137,210
Related Benefits	15,877	-	15,877
Worker's compensation	2,837	-	2,837
Total Salaries and Related Benefits	155,924	-	155,924
Other Expenses			
Insurance	25,340	-	25,340
Janitorial	6,600	-	6,600
Legal and accounting	-	4,470	4,470
Miscellaneous	-	430	430
Office and postage	1,333	-	1,333
QMRP	-	800	800
Supplies	4,898	-	4,898
Repairs and maintenance	3,594	-	3,594
Telephone	269	-	269
Training	-	210	210
Travel	-	455	455
Transportation	11,253	-	11,253
Utilities	4,101	-	4,101
	Total expenses before depreciation	6,365	219,677
	Depreciation	6,214	6,214
	TOTAL EXPENSES	\$ 12,579	\$ 225,891

WEST CARROLL ASSOCIATION FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

West Carroll 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 (Clients).

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 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 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, 2004, 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.

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2004**

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

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 estimates.

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 costing \$500 or more 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.

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2004**

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

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*.

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 leave.

NOTE 2. PROPERTY AND EQUIPMENT

A summary of the categories and applicable depreciation at June 30, 2004, is as follows:

<u>Category</u>	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>
Land	\$ 26,361	\$ -	\$ -
Building & improvements	37,387	1,078	31,659
Equipment	90,556	5,136	84,327
	<hr/>		<hr/>
Total	\$ 154,304	\$ 6,214	\$ 115,986
	<hr/>		<hr/>

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

Oak Grove, Louisiana

**NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2004**

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 the local financial institutions as of June 30, 2004, were adequately insured by the FDIC and securities pledged by the bank.

At June 30, 2004, the Association had \$190,035 in deposits (collected bank balances). The deposits are secured by \$128,065 of federal deposit insurance (Category 1) and \$22,559 of pledged securities (Category 2) held by the custodial bank.

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.

NOTE 6. ACCRUED EXPENSES

The accrued expenses consist of compensated absences at the year-end in the amount of \$1,855.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004**

SUMMARY OF AUDITOR'S RESULTS

1. My auditor's report expresses an unqualified opinion on the general purpose financial statements of the West Carroll Association For Retarded Citizens, Inc.
2. There were no instances of noncompliance material to the financial statements of the West Carroll Association For Retarded Citizens, Inc., as required to be reported in accordance with *Government Auditing Standards*.
3. There were no major federal awards.

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

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2004**

SECTION A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FINANCIAL STATEMENTS

1 La. Rev. Stat. 39:1225 Security for deposits; amount of security

The amount of 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.

Resolved - 2003-04

SECTION B - MANAGEMENT LETTER

None issued.

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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 Association for Retarded Citizens, Inc.
Oak Grove, Louisiana

I have audited the financial statements of West Carroll Association for Retarded Citizens, Inc., (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued my report thereon dated December 8, 2004. 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 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered West Carroll 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 the audit committee, management, Board of Trustees, 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.

A handwritten signature in black ink, appearing to read "Darla S. Turner". The signature is written in a cursive, flowing style.

DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

December 8, 2004