

**CAPITAL AREA CORPORATE
RECYCLING COUNCIL**
**REVIEWED FINANCIAL STATEMENTS
AND REPORT ON APPLYING
AGREED UPON PROCEDURES**
DECEMBER 31, 2008
BATON ROUGE, LOUISIANA

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 8/5/09

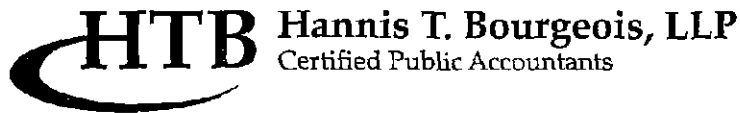
CONTENTS

Reviewed Financial Statements:

Independent Accountant's Report.....	Page 1
Statement of Financial Position.....	2
Statement of Activities.....	3 - 4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6 - 8

Other Report:

Independent Accountant's Report on Applying Agreed Upon Procedures.....	9 - 11
Louisiana Attestation Questionnaire.....	12 - 13



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June 18, 2009

Independent Accountant's Report

To the Board of Directors
Capital Area Corporate Recycling Council
Baton Rouge, Louisiana

We have reviewed the accompanying Statement of Financial Position of Capital Area Corporate Recycling Council (a nonprofit organization) as of December 31, 2008, and the related Statements of Activities and Cash Flows 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. All information included in these financial statements is the representation of the management of Capital Area Corporate Recycling Council.

A review consists principally of inquiries of Capital Area Corporate Recycling Council's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Respectfully submitted,

Hannis T. Bourgeois, LLP

CAPITAL AREA CORPORATE RECYCLING COUNCIL

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2008

ASSETS

Cash	\$ 213,165
Accounts Receivable	78,263
Prepaid Expenses	19,488
Equipment	119,336
Less: Accumulated Depreciation	<u>(61,342)</u>
Total Property, Plant and Equipment	<u>57,994</u>
Total Assets	<u><u>\$ 368,910</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$ 13,136
Sales Taxes Payable	1,496
Accrued Liabilities	<u>21,180</u>
Total Liabilities	35,812
Net Assets:	
Unrestricted	<u>333,098</u>
Total Liabilities and Net Assets	<u><u>\$ 368,910</u></u>

See accountant's review report and the accompanying notes.

CAPITAL AREA CORPORATE RECYCLING COUNCIL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2008

Public Support and Revenue:

Public Support:

Donated Inventory \$ 799,623

Total Public Support 799,623

Revenue:

Grant Revenue 255,000

Ebay Sales 337,233

Scrap Sales 267,498

Sales Other 15,272

Other Income 103,635

Total Revenue 978,638

Total Public Support and Revenue 1,778,261

Expenses:

Salaries and Wages 531,512

Payroll Taxes 44,430

Insurance- Workers Compensation 12,369

Other Employee Benefits 17,309

Accounting & Payroll Services 19,747

Advertising 6,095

Bank Service Charges 970

Copier Expense 1,536

Cost of Merchandise Sold 638,629

Depreciation Expense 21,790

Donations- In Kind 160,994

Dues and Subscriptions 1,151

Forklift Expense 1,705

Forklift -Fuel 1,130

Insurance 17,269

Interest Expense 418

Legal Expense 260

Miscellaneous 20,521

Office Expense 6,082

Outside Services 8,273

Program Expense 14,923

(CONTINUED)

Rent- Building & Storage	66,505
Rental- Equipment	86
Repairs and Maintenance	4,299
Selling Related Expenses	133,133
Small Tools & Equipment	5,214
Teacher/Student Training	932
Telephone	3,404
Utilities	<u>12,325</u>
Total Expenses	<u>1,753,011</u>
Change in Net Assets	25,250
Net Assets at Beginning of the Year	<u>307,848</u>
Net Asset at End of the Year	<u><u>\$ 333,098</u></u>

See accountant's review report and accompanying notes.

CAPITAL AREA CORPORATE RECYCLING COUNCIL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows from Operating Activities:

Change in Net Assets	\$ 25,250
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	21,790
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts & Other Receivables	(32,143)
(Increase) Decrease in Prepaid Expense	(5,617)
Increase (Decrease) in Accounts Payable	(6,244)
Increase (Decrease) in Accrued Liabilities	307
Increase (Decrease) in Sales Tax Payable	<u>1,302</u>
Net Cash Provided by Operating Activities	4,645

Cash Flows from Financing Activities:

Payments on Long-Term Debt	<u>(10,302)</u>
Net Cash Used In Financing Activities	<u>(10,302)</u>

Net Decrease in Cash	(5,657)
Cash at Beginning of Year	<u>218,822</u>
Cash at End of Year	<u><u>\$ 213,165</u></u>

Supplemental Disclosures of Cash Flow Information:

Cash Payment for:	
Interest	<u><u>\$ 418</u></u>

See accountant's review report and accompanying notes.

CAPITAL AREA CORPORATE RECYCLING COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies -

Nature of Activities

Capital Area Corporate Recycling Council ("the Council") is a nonprofit organization which promotes waste reduction and the use of recycled goods through leadership and education programs for public and private entities. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board on its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose of 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.

Donated Assets, Goods and Services

The value of donated items received for resale in the warehouse is recognized in the accompanying financial statements at their estimated fair value only to the extent that the items were resold. Any items not resold are not recorded as donations in the financial statements because there is no objective basis available to value such items.

See accountant's review report.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated useful lives which range from 3 to 5 years.

Maintenance and repairs are charged as expense when incurred.

The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in operations.

Net Assets

The Organization classifies assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions. The Organization had no permanently restricted or temporarily restricted net assets at December 31, 2008.

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 certain reported amounts and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Lease Commitment

Rent expense is recognized on a straight-line basis over the term of the lease.

Concentration of Credit Risk

At various times during the year, cash on deposit with one banking institution may exceed the Federal Deposit Insurance Corporation limit. Management monitors the financial condition of the institution on a regular basis, along with their balances in cash to minimize this potential risk.

The Organization receives grant revenue each year from various funding sources. The amounts received are based on the discretion of the funding sources and are subject to change.

See accountant's review report.

Note 2 - Lease Commitments -

The Council entered into several operating lease agreements for office space and equipment.

Office Space

The Council entered into a lease on November 1, 2002 to rent an office building and warehouse. The term of the lease began on November 1, 2002 and continued until November 30, 2007. After November 30, 2007, the lease converted to a month-to-month basis continuing until November 30, 2009.

Copier Lease

The Council entered into a lease agreement on June 5, 2008 to rent a copier. The lease requires 60 equal monthly payments of \$68 plus taxes.

Total minimum rental commitments at December 31, 2008, under the terms of the lease are due as follows:

<u>Year End December 31</u>	<u>Amount</u>
2009	\$ 816
2010	816
2011	816
2012	816
2013	<u>408</u>
Total Minimum Lease Payments	<u>\$ 3,672</u>

The total rent expense for items under operating leases for the year ended December 31, 2008 was \$66,591.

Note 3 - Fixed Assets -

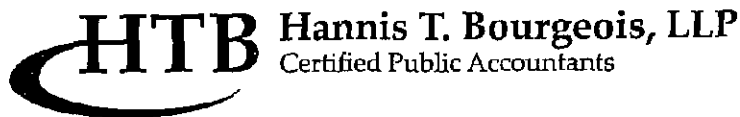
A summary of fixed assets as of December 31, 2008 is as follows:

Equipment	\$ 119,336
Less: Accumulated Depreciation	<u>(61,342)</u>
	<u>\$ 57,994</u>

Depreciation expense for the year ended December 31, 2008 was \$21,790.

See accountant's review report.

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES



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June 18, 2009

**Independent Accountant's Report
 on Applying Agreed-Upon Procedures**

To the Board of Directors
 Capital Area Corporate Recycling Council
 Baton Rouge, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Capital Area Corporate Recycling Council, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Capital Area Corporate Recycling Council's compliance with certain laws and regulations during the year ended December 31, 2008 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Capital Area Corporate Recycling Council is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we 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.

Federal, State, or Local Grant Name	Grant Year	CFDA No.	Amount
Computers for Louisiana Kids (CLK) Program - State Award	7/1/07-6/30/08	N/A	\$ 125,000
Computers for Louisiana Kids (CLK) Program - State Award	7/1/08-6/30/09	N/A	\$ 125,000
Total Expenditures			\$ 250,000

2. For the state program, we randomly selected 6 disbursements from the award administered during the period under examination.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

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

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

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

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

Inspection of documentation supporting each of the six selected disbursements indicated approval of the Executive Director.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

No Federal awards were received.

Eligibility

No Federal awards were received.

Reporting

No Federal awards were received.

7. For the program selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The Organization prepares monthly reports in relation to the grant. We compared three of the monthly reports for the program with the entity's financial records. The amounts reported on the monthly reports varied from the entity's financial records due to journal entries posted subsequent to report preparation. We noted that these differences were not adjusted in any of the following months and therefore were not reported. While there were reporting differences, the grant is a fixed fee for service contract and is not on a reimbursement basis and these differences would not affect the amount of funding received.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA RS 42:1 through 42:12 (the open meetings law).

The Organization is not subject to the open meeting law.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Capital Area Corporate Recycling Council provided comprehensive budgets to the applicable state grantor agencies for the program mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year comments or recommendations.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Capital Area Corporate Recycling Council, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannia T. Bourgeois, LLP

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Charitable Public Entities)

(Date Transmitted)

HANNIS T. BOURGEOIS, LLP
2323 TERMOULT DRIVE
SUITE 300
BATON ROUGE, LA 70809 (Auditors)

In connection with your review of our financial statements as of DECEMBER 31, 2008 and for the period then ended, and as required by Louisiana Revised Statutes 24:512 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 regulation 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 (date of completion/representation).

Federal, State, and Local Awards

We have disclosed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OIG's Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42 through 4218 (the open meetings law).

Yes [] No []

NA

Budget

For each federal, state, and local grant we have had with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [X] No []

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] 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 federal, state, and local grants, to include the applicable 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 will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/ies any known noncompliance which may occur up to the date of your report.

<u>Stephanie Moore</u>	Secretary	<u>5/20/09</u>	Date
<u>Thomas Waple</u>	Treasurer	<u>5/26/09</u>	Date
<u>Christina Evanson</u>	President	<u>5/12/09</u>	Date