

**CAPITAL AREA CORPORATE**  
**RECYCLING COUNCIL**  
**COMPILED FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**  
**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.

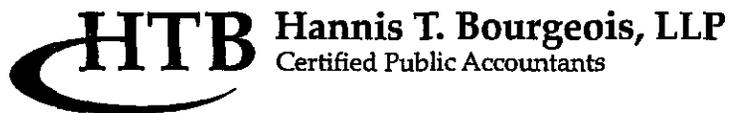
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2322 Tremont Drive • Baton Rouge, LA 70809  
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726  
Phone: 225.928.4770 • Fax: 225.926.0945  
www.htbcpa.com

June 21, 2010

Independent Accountant's Report

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

We have compiled the accompanying Statement of Financial Position of Capital Area Corporate Recycling Council (a nonprofit organization) as of December 31, 2009, 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.

A compilation is limited to presenting in the form of financial statements information that is the representation of the owners. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Respectfully submitted,

*Hannis T. Bourgeois, LLP*

**CAPITAL AREA CORPORATE RECYCLING COUNCIL**

**STATEMENT OF FINANCIAL POSITION**

AS OF DECEMBER 31, 2009

**ASSETS**

Cash	\$ 229,021
Accounts Receivable	48,939
Prepaid Expenses	17,069
Equipment	119,336
Less: Accumulated Depreciation	<u>(82,458)</u>
Total Property, Plant and Equipment	<u>36,878</u>
Total Assets	<u><u>\$ 331,907</u></u>

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$ 9,461
Sales Taxes Payable	1,377
Accrued Liabilities	<u>19,976</u>
Total Liabilities	30,814
Net Assets:	
Unrestricted	<u>301,093</u>
Total Liabilities and Net Assets	<u><u>\$ 331,907</u></u>

See accountant's compilation report and the accompanying notes.

# CAPITAL AREA CORPORATE RECYCLING COUNCIL

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

### **Public Support and Revenue:**

#### Public Support:

Donated Inventory	\$ 879,346
Total Public Support	879,346

#### Revenue:

Grant Revenue	146,000
Ebay Sales	346,515
Scrap Sales	215,324
Sales Other	47,722
Other Income	106,927
Total Revenue	862,488
Total Public Support and Revenue	1,741,834

### **Expenses:**

Salaries and Wages	492,031
Payroll Taxes	39,864
Insurance- Workers Compensation	5,132
Other Employee Benefits	20,145
Accounting & Payroll Services	18,045
Advertising	759
Bank Service Charges	22
Copier Expense	1,910
Cost of Merchandise Sold	665,932
Depreciation Expense	21,117
Donations- In Kind	213,414
Dues and Subscriptions	1,165
Forklift Expense	1,994
Forklift -Fuel	114
Insurance	23,126
Legal Expense	278
Miscellaneous	11,808
Office Expense	6,987
Outside Services	5,126
Program Expense	7,835

(CONTINUED)

Rent- Building & Storage	63,312
Rental- Equipment	84
Repairs and Maintenance	19,821
Selling Related Expenses	133,660
Small Tools & Equipment	5,104
Teacher/Student Training	145
Telephone	4,168
Utilities	10,741
	<hr/>
Total Expenses	1,773,839
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<b>Change in Net Assets</b>	(32,005)
<b>Net Assets at Beginning of the Year</b>	333,098
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<b>Net Asset at End of the Year</b>	<b>\$ 301,093</b>
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See accountant's compilation report and accompanying notes.

**CAPITAL AREA CORPORATE RECYCLING COUNCIL**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Cash Flows from Operating Activities:</b>	
Change in Net Assets	\$ (32,005)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	21,117
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts & Other Receivables	29,323
(Increase) Decrease in Prepaid Expense	2,419
Increase (Decrease) in Accounts Payable	(3,675)
Increase (Decrease) in Accrued Liabilities	(119)
Increase (Decrease) in Sales Tax Payable	<u>(1,204)</u>
Net Cash Provided by Operating Activities	<u>15,856</u>
<b>Net Increase in Cash</b>	15,856
<b>Cash at Beginning of Year</b>	<u>213,165</u>
<b>Cash at End of Year</b>	<u><u>\$ 229,021</u></u>

See accountant's compilation report and accompanying notes.

# CAPITAL AREA CORPORATE RECYCLING COUNCIL

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

### **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.

#### 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

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.

#### 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, 2009.

### 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.

### Income Taxes

The Council is a qualified not-for-profit organization and is exempt from income taxes under Internal Revenue Code 501(c) (3). With few exceptions, the Council is no longer subject to federal or state examinations by tax authorities for the years before 2006.

**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 December 31, 2011.

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, 2009, under the terms of the lease are due as follows:

<u>Year End</u> <u>December 31</u>	<u>Amount</u>
2010	\$ 816
2011	816
2012	816
2013	<u>408</u>
Total Minimum Lease Payments	<u>\$ 2,856</u>

The total rent expense for items under operating leases for the year ended December 31, 2009 was \$63,396.

**Note 3 - Fixed Assets -**

A summary of fixed assets as of December 31, 2009 is as follows:

Equipment	\$ 119,336
Less: Accumulated Depreciation	<u>(82,458)</u>
	<u>\$ 36,878</u>

Depreciation expense for the year ended December 31, 2009 was \$21,117.

**Note 4 - Subsequent Events -**

The Council evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through June 21, 2010, the date which the financial statements were available to be issued.