

LEROY J. CHUSTZ

CERTIFIED PUBLIC ACCOUNTANT, APAC

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INDEPENDENT AUDITOR'S REPORT


To the Board of Directors of the
Livingston Association for Retarded Citizens, Inc.
(Livingston Activity Center)
Walker, Louisiana

I have audited the accompanying balance sheets of the Livingston Association for Retarded Citizens, Inc. (a nonprofit organization), Walker, Louisiana, as of June 30, 1996 and 1995, and the related statements of activities and the statements of cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audits provide 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 Livingston Association for Retarded Citizens, Inc. as of June 30, 1996 and 1995, 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 *Government Auditing Standards*, I have also issued a report dated November 1, 1996 on my consideration of the Livingston Association for Retarded Citizens, Inc.'s internal control structure and a report dated November 1, 1996 on its compliance with laws and regulations.



Leroy J. Chustz
Certified Public Accountant, APAC
November 1, 1996

LIVINGSTON ACTIVITY CENTER, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 1996 and 1995

	June 30,	
	1996	1995
Operating Activities		
Change in net assets	\$71,054.32	\$87,283.77
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	22,825.70	22,570.49
Receivables	517.83	36,673.99
Accounts payable	(1,473.63)	423.81
Loss on disposal of asset	903.80	.
 Net cash used by operating activities	 <u>93,828.02</u>	 <u>146,952.06</u>
 Investing Activities		
Purchases of equipment	28,656.09	31,884.16
Purchases of investments	<u>67,895.88</u>	<u>78,248.53</u>
 Net cash used by investing activities	 <u>96,551.97</u>	 <u>110,132.69</u>
 Net increase (decrease) in cash and cash equivalents	 <u>(2,723.95)</u>	 <u>36,819.37</u>
 Cash and cash equivalents at beginning of year	 <u>243,489.71</u>	 <u>206,670.34</u>
 Cash and cash equivalents at end of year	 <u>\$240,765.76</u>	 <u>\$243,489.71</u>

See accompanying notes to the financial statements.

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.
Walker, Louisiana
Annual Financial Statements with Independent Auditor's Report
June 30, 1996 and 1995

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**LIVINGSTON ASSOCIATION
FOR RETARDED CITIZENS, INC.**

ANNUAL FINANCIAL REPORT

JUNE 30, 1996 and 1995

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

Release Date NOV 27 1996

LIVINGSTON ACTIVITY CENTER
Supporting schedule of Fixed Assets (Net)
For the years ended June 30, 1996 and 1995

	1996	1995
Furniture and Fixtures	\$ 6,062.71	\$ 5,675.84
Accum. Depr. Furniture & Fixtures	(5,413.38)	(4,935.61)
Equipment	38,999.77	36,137.87
Accum. Depr. Equipment	(24,034.50)	(17,672.58)
Renovations to Center	56,162.33	30,755.01
Accum. Depr. Renovations to Center	(5,777.15)	(4,888.59)
Buildings	10,322.43	10,322.43
Accum. Depr. Buildings	(7,471.98)	(6,098.49)
Vehicles	135,628.12	141,652.12
Accum. Depr. Vehicles	(71,820.44)	(63,216.68)
Total	\$ 132,657.91	\$ 127,731.32

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of the
Livingston Association for Retarded Citizens, Inc.
(Livingston Activity Center)
Walker, Louisiana

I have audited the financial statements of Livingston Association for Retarded Citizens, Inc. (a nonprofit organization), Walker, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated November 1, 1996.

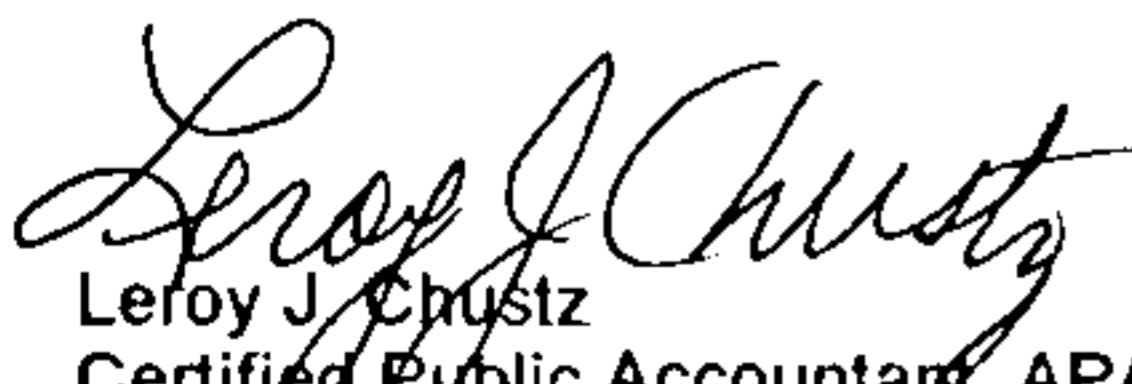
I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Livingston Association for Retarded Citizens, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of Livingston Association for Retarded Citizens, Inc. for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors of the Livingston Association for Retarded Citizens, Inc., management, the Legislative Auditor of the state of Louisiana and the state grantor agency. However, this report is a matter of public record and its distribution is not limited.


Leroy J. Chustz
Certified Public Accountant, APAC
November 1, 1996

LEROY J. CHUSTZ

CERTIFIED PUBLIC ACCOUNTANT, APAC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of the
Livingston Association for Retarded Citizens, Inc.
(Livingston Activity Center)
Walker, Louisiana

I have audited the financial statements of Livingston Association for Retarded Citizens, Inc. (a nonprofit organization), Walker, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated November 1, 1996.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Livingston Association for Retarded Citizens, Inc., is the responsibility of Livingston Association for Retarded Citizens, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors of the Livingston Association for Retarded Citizens, Inc.'s management, the Legislative Auditor of the state of Louisiana and the state grantor agency. However, this report is a matter of public record and its distribution is not limited.


Leroy J. Chustz
Certified Public Accountant, APAC
November 1, 1996

OTHER REQUIRED FEDERAL AND STATE FINANCIAL ASSISTANCE INFORMATION

LIVINGSTON ACTIVITY CENTER
Supporting schedule of Operating Expenses
For the years ended June 30, 1996 and 1995

	1996	1995
Utilities	\$ 7,351.51	\$ 5,574.90
Repair / Maintenance	2,439.46	2,794.44
Maintenance Kitchen/Bath	1,814.19	1,968.27
Telephone Expense	2,212.07	3,132.23
Telephone Expense - Placement	46.18	301.15
Office Supplies	3,086.94	2,283.27
Postage and Freight	277.27	331.11
Insurance Expense	45,368.45	38,156.73
Dues and Subscriptions	1,454.25	562.00
Bank Charges	30.00	
Professional Services	6,022.14	4,640.00
Casual Labor	742.00	1,349.50
Evaluation Expense		125.00
License and Fees	4,439.59	5,243.42
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Total	\$ 75,284.05	\$ 66,462.02
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LIVINGSTON ACTIVITY CENTER
Supporting schedule of Salaries, Wages and Benefits
For the years ended June 30, 1996 and 1995

	1996	1995
Salary and Wages	\$ 175,857.16	\$ 163,125.26
Placement Salaries	18,060.00	22,647.00
Payroll Taxes	15,476.93	13,920.36
Payroll Taxes - Placement	1,655.20	1,908.52
	\$ 211,049.29	\$ 201,601.14
	\$ 211,049.29	\$ 201,601.14

LIVINGSTON ACTIVITY CENTER
Supporting schedule of Self-Generated
For the years ended June 30, 1996 and 1995

	1996	1995
Income - Yards	\$ 27,226.00	\$ 30,927.60
Income - D.S. News	2,107.50	1,761.50
Income - Wood Stakes	23,053.76	18,849.66
Income - Ceramics	4,757.80	4,345.25
Income - Greenhouse	6,085.36	5,360.02
Contract Janitorial	7,957.29	10,515.90
Vending Machine Income	6,298.73	3,472.08
Private pay contracts		1,182.72
Rosie's roses		490.00
Total	\$ 77,486.44	\$ 76,904.73

LIVINGSTON ACTIVITY CENTER
Balance Sheets
June 30, 1996 and 1995

	1996	1995
<u>A S S E T S</u>		
<u>CURRENT ASSETS</u>		
Cash and equivalents	\$ 240,765.76	\$ 243,489.71
Investments	281,580.39	213,684.51
Accounts receivable	7,022.40	7,369.04
Unconditional promises to give:		
Medicaid receivable	5,592.85	5,982.41
Other revenue	5,168.11	4,949.74
Security deposit	1,692.00	1,692.00
	541,821.51	477,167.41
Total current assets		
Fixed assets (net)	132,657.91	127,731.32
	\$ 674,479.42	\$ 604,898.73
TOTAL ASSETS		

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Payroll taxes payable	\$ 1,896.68	\$ 3,370.31
	1,896.68	3,370.31
TOTAL CURRENT LIABILITIES		
<u>NET ASSETS</u>		
Unrestricted	672,582.74	601,528.42
	\$ 674,479.42	\$ 604,898.73
TOTAL LIABILITIES AND NET ASSETS		

See accompanying notes to the financial statements.

LIVINGSTON ACTIVITY CENTER
Supporting schedule of State Grants
For the years ended June 30, 1996 and 1995

	1996	1995
Contract Dept. of Health & Hospitals	\$ 178,664.00	\$ 178,664.00
Supportive Employment Revenue	27,717.00	38,843.00
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Total	\$ 206,381.00	\$ 217,507.00
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LIVINGSTON ACTIVITY CENTER
Statements of Activities
For the years ended June 30, 1996 and 1995

	1996	1995
<u>REVENUES</u>		
State grants	\$ 206,381.00	\$ 217,507.00
Provider contracts	77,486.64	79,722.72
United Way grant	18,297.04	16,594.00
Interest	11,443.45	11,564.63
Membership dues	585.00	530.00
Self-generated	77,486.44	76,904.73
Donations and fund raising	8,482.16	9,019.00
Other	81,858.18	67,491.33
	482,019.91	479,333.41
 <u>EXPENSES</u>		
Salaries, wages and benefits	211,049.29	201,601.14
Client payroll and training	49,409.09	41,386.25
Operating expenses	75,284.05	66,462.02
Supplies for activities	23,663.99	25,459.23
Travel and transportation	23,126.44	30,373.32
Dietary and food		12.29
Depreciation expense	22,825.70	22,570.49
Other	4,703.23	4,284.90
	410,061.79	392,149.64
Excess of revenues over expenses	71,958.12	87,183.77
Gain (loss) on Sale of Fixed Assets	(903.80)	100.00
Increases (decreases) in unrestricted net assets	71,054.32	87,283.77
Net assets at beginning of year	601,528.42	514,244.65
Net assets at end of year	672,582.74	601,528.42

See accompanying notes to the financial statements.

LIVINGSTON ACTIVITY CENTER
Supporting schedule of Cash and Equavilents
For the years ended June 30, 1996 and 1995

	1996	1995
Cash utility account		
Cash operating	8,225.83	17,267.50
Cash Payroll	6,224.82	6,641.87
Tower Account	223,376.59	216,700.09
Fund Raising Account	2,938.52	2,880.25
	\$ 240,765.76	\$ 243,489.71
	\$ 240,765.76	\$ 243,489.71

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INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of the
Livingston Association for Retarded Citizens, Inc.
(Livingston Activity Center)
Walker, Louisiana

My report on my audits of the basic financial statements of the Livingston Association for Retarded Citizens, Inc. for 1996 and 1995 appears on Page 3. I conducted my audits in accordance with generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Leroy J. Chustz
Certified Public Accountant, APAC
November 1, 1996

ADDITIONAL INFORMATION

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.
Notes to the Financial Statements, Continued
For the Years Ended June 30, 1996 and 1995

of this support, if it were to occur, may have an effect on programs and activities.

According to legal counsel, the Association is not involved in any litigation.

6. In the current fiscal year, the Association elected to adopt SFAS Number 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS Number 117, an organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this new Statement, the Association has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the required classes of net assets for the current fiscal year. The Association has no temporarily or permanently restricted net assets.

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.
Notes to the Financial Statements, Continued
For the Years Ended June 30, 1996 and 1995

	BALANCE <u>07/01/94</u>	ADDITIONS	DELETIONS	BALANCE <u>06/30/95</u>
Furniture, fixtures, and equipment	\$ 33,834	\$ 8,991	1,012	\$ 41,813
Vans and buses	118,760	22,893	0	141,653
Buildings and improvements	<u>41,077</u>	<u>0</u>	<u>0</u>	<u>41,077</u>
Investment in property and equipment	<u>\$193,671</u>	<u>\$ 31,884</u>	<u>\$ 1,012</u>	<u>\$224,543</u>
Less accumulated depreciation				<u>96,812</u>
Property and equipment net of accumulated depreciation				<u>\$127,731</u>

	BALANCE <u>07/01/95</u>	ADDITIONS	DELETIONS	BALANCE <u>06/30/96</u>
Furniture, fixtures, and equipment	\$ 41,813	\$ 3,249	0	\$ 41,062
Vans and buses	141,653	0	6,025	135,628
Buildings and improvements	<u>41,077</u>	<u>25,408</u>	<u>0</u>	<u>66,485</u>
Investment in property and equipment	<u>\$224,543</u>	<u>\$ 28,657</u>	<u>\$ 6,025</u>	<u>\$247,175</u>
Less accumulated depreciation				<u>114,517</u>
Property and equipment net of accumulated depreciation				<u>\$132,658</u>

5. COMMITMENTS AND CONTINGENCIES

The association receives a substantial amount of its support for its programs of providing day services and occupational therapy to retarded persons, from state government and local grants. These grants required the association to furnish rehabilitation services to clients to be reimbursed at an amount stipulated in each contract. A significant reduction in the level

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.
Notes to the Financial Statements, Continued
For the Years Ended June 30, 1996 and 1995

2. CASH AND CASH EQUIVALENTS

Cash includes cash, demand deposits, interest bearing demand deposits and certificates of deposit. 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 by the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposits (bank balances) at June 30, 1996 are secured as follows:

Demand deposits	\$ 35,534.30
Interest bearing demand deposits	223,376.59
Certificates of deposit	<u>281,580.39</u>
Total bank balances	\$540,491.28
Federal deposit insurance	\$100,000.00
Pledged securities	<u>440,491.58</u>
Total securities and insurance	\$540,491.28
Unsecured bank balances	<u>\$ 0.00</u>

3. RECEIVABLES

Receivables at June 30, 1996 and 1995 consisted of the following:

	<u>June 30,</u>	
	<u>1996</u>	<u>1995</u>
Accounts receivable - Providers	\$7,022.40	\$ 7,355.04
State contract - Revenue receivable	5,168.11	4,949.74
Medicaid receivable	5,592.85	5,982.41
Accounts receivable - Other		<u>14.00</u>
Total Receivables	<u>\$17,783.36</u>	<u>\$18,301.19</u>

Based on past experience, management believes that the above amounts are entirely collectible; therefore, no provision for uncollectible amounts has been established.

4. CHANGES IN FIXED ASSETS

The following is a summary of changes in fixed assets.

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.
Notes to the Financial Statements
For the Years Ended June 30, 1996 and 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of the financial statements. These policies conform to generally accepted accounting principles and have been applied in the preparation of the financial statements.

A. ACCOUNTING BASIS

Assets and liabilities, and revenues and expenses are recognized on the accrual basis of accounting, except for income from certificates of deposit, which is recorded when received and which closely approximates the accrual method of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) Number 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS Number 117, the Association is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association has no temporarily or permanently restricted net assets.

B. PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost except as explained below. Depreciable assets are being depreciated over their estimated useful lives using the straight-line method. Interest is not capitalized on fixed assets.

Donated materials, equipment, and services have not been reflected in the financial statements because there is no objective basis available to measure the value of such contributions. Nevertheless, a number of volunteers donate their time in the organization's program and supporting services; however, the amounts are not material to the financial statements

C. INCOME TAXES

The association is exempt from income taxes under IRC 501(C)(3) as a nonprofit corporation and, accordingly, the financial statements do not reflect a provision for income taxes.

D. COMPENSATED ABSENCES

No provision has been made for compensated absences because the association's policy does not allow the employees to carry unused leave to the next fiscal year.

LIVINGSTON ACTIVITY CENTER
Supporting schedule of Provider Contracts
For the years ended June 30, 1996 and 1995

	1996	1995
Contract Howell House	\$ 27,184.08	\$ 29,641.92
Contract Le Trouve Home	24,948.00	25,631.76
Contract Abundant Life Home	25,354.56	24,449.04
Total	<u>\$ 77,486.64</u>	<u>\$ 79,722.72</u>