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LIVINGSTON ASSOCIATION  
FOR RETARDED CITIZENS, INC.

ANNUAL FINANCIAL REPORT

JUNE 30, 1966 and 1967

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Released Date: 10/22/1982

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.  
Walter, Louisiana  
Annual Financial Statements with Independent Auditor's Report  
June 30, 1996 and 1997

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## INDEPENDENT AUDITORS' REPORT

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

I have audited the accompanying balance sheets of the Livingston Association for Retarded Citizens, Inc. (a nonprofit organization), Warrick, Louisiana, as of June 30, 1998 and 1997, and the related statements of revenues, expenses and changes in net assets 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.

Generally accepted accounting principles requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Livingston Association for Retarded Citizens, Inc., has omitted such disclosures. I do not provide assurance that Livingston Association for Retarded Citizens, Inc., is or will be year 2000 ready, that Livingston Association for Retarded Citizens, Inc., year 2000 remediation efforts will be successful in whole or in part, or that parties with which Livingston Association for Retarded Citizens, Inc., does business will be year 2000 ready.

In my opinion, except for the omissions of the information discussed in the preceding paragraph, 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, 1998 and 1997, and the results of its operations and changes in financial position 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 October 26, 1998, on my consideration of the Livingston Association for Retarded Citizens, Inc.'s internal control structure and a report dated October 26, 1998, on its compliance with laws and regulations.

  
Leroy J. Chustz  
Certified Public Accountant, CPA, APAC  
October 26, 1998

**LEROY J. CHUSTZ, CPA, APAC**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Livingston Association for Retarded Citizens, Inc.  
(Livingston Activity Center)  
Walker, Louisiana

I have audited the financial statements of Livingston Association for Retarded Citizens, Inc., as of June 30, 1996 and 1997, and have issued my report thereon dated October 26, 1998, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues. I conducted my audits in accordance with generally accepted auditing 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 Livingston Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, I performed tests of 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 audits, I considered Livingston 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 accounts 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 for the information of Livingston Association for Retarded Citizens, Inc.'s management, and federal awarding agencies and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

  
Leroy J. Chustz  
Certified Public Accountant, APAC  
October 26, 1998

**LIVINGSTON ACTIVITY CENTER**  
**Balance Sheets**  
**June 30, 1988 and 1987**

	1988	1987
<u><b>ASSETS</b></u>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 279,835.90	\$ 258,815.07
Investments - Certificates of Deposit	332,863.89	313,902.89
Accounts receivable	79,445.00	14,755.12
Unconditional promises to give:		
Other revenue		4,745.00
Security deposit	1,692.00	1,692.00
	<u>693,826.89</u>	<u>593,910.08</u>
<b>TOTAL current assets</b>	<u>693,826.89</u>	<u>593,910.08</u>
<b>FIXED ASSETS (NET)</b>	<u>197,452.91</u>	<u>134,806.20</u>
<b>TOTAL ASSETS</b>	<u>\$ 891,279.80</u>	<u>\$ 728,716.28</u>
<u><b>LIABILITIES AND NET ASSETS</b></u>		
<b>CURRENT LIABILITIES</b>		
Payroll taxes payable	\$ 4,839.22	\$ 3,390.34
<b>TOTAL CURRENT LIABILITIES</b>	<u>4,839.22</u>	<u>3,390.34</u>
<b>NET ASSETS</b>		
Unrestricted	<u>794,442.87</u>	<u>724,325.94</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 891,279.80</u>	<u>\$ 728,716.28</u>

See accompanying notes to the financial statements.

**LIVINGSTON ACTIVITY CENTER**  
**Statements of Activities**  
**June 30, 1993 and 1992**

	1993	1992
<b>REVENUES</b>		
State grants	\$ 177,490.87	\$ 205,624.00
Provider contracts	66,864.33	79,807.39
United Way grant	28,231.12	20,000.00
Interest	28,429.66	35,101.30
Membership dues	534.88	876.00
Self-generated	63,411.02	63,503.49
Donations and fund raising	7,588.50	6,991.32
Other	68,237.13	64,308.94
Total revenues	<u>468,388.22</u>	<u>496,742.27</u>
 <b>EXPENSES</b>		
Salaries, wages and benefits	233,284.69	279,999.81
Client payroll and training	61,263.65	55,475.98
Operating expenses	78,413.12	79,643.17
Supplies for activities	25,684.19	31,339.41
Travel and transportation	23,653.73	34,235.65
Depreciation expense	17,343.29	18,774.27
Other	4,183.43	4,003.65
Total expenses	<u>438,213.92</u>	<u>458,437.94</u>
Excess of revenues over expenses	22,175.30	51,684.63
Increase (decrease) in unrestricted net assets	22,175.30	51,684.63
Net assets at beginning of year	<u>734,267.37</u>	<u>672,682.74</u>
Net assets at end of year	<u>\$ 756,442.67</u>	<u>\$ 724,367.37</u>

See accompanying notes to the financial statements.

**LIVINGSTON ACTIVITY CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 1998 and 1997

	1998	1997
<b>Operating Activities</b>		
Change in net assets	22,179.30	51,684.63
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,349.29	19,774.27
Receivables	53.71	1,717.35
Accounts payable	<u>688.68</u>	<u>1,453.65</u>
Net provided used by operating activities	<u>40,269.18</u>	<u>71,185.21</u>
<b>Investing Activities</b>		
Purchases of equipment	0.00	21,002.56
Purchases of investments	<u>19,041.05</u>	<u>31,432.44</u>
Net cash used by investing activities	<u>19,041.05</u>	<u>52,435.00</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>21,228.13</u>	<u>17,650.21</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>268,615.97</u>	<u>249,765.76</u>
<b>Cash and cash equivalents at end of year</b>	<u>279,835.10</u>	<u>258,615.97</u>

See accompanying notes to the financial statements.

**LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 1990 and 1987**

**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. The Association provides occupational and educational services to mentally challenged persons.

**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.

**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 ranging from three to forty years, 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 substantial number of volunteers and contributors donate significant amounts to the association.

**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 ASSOCIATION FOR RETARDED CITIZENS, INC.

Notes to the Financial Statements, Continued

For the Years Ended June 30, 1998 and 1997

2. CASH AND CASH EQUIVALENTS

Cash includes cash, demand deposits, interest bearing demand deposits and certificates of deposit. These deposits are held 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, 1998 are secured as follows:

Demand deposits	\$ 34,330.11
Interest bearing demand deposits	290,889.00
Certificates of deposit	332,043.88
Total bank balances	\$657,262.99
Federal deposit insurance	100,000.00
Pledged securities	0.00
Total securities and insurance	\$527,042.99
Unsecured bank balances	\$ 130,220.00

3. RECEIVABLES

Receivables at June 30, 1998 and 1997 consisted of the following:

	<u>June 30,</u>	
	<u>1998</u>	<u>1997</u>
Accounts receivable - Providers	\$19,448.00	\$14,755.12
State contract - Revenue receivable	0.00	4,745.59
Medicaid receivable	0.00	0.00
Total Receivables	<u>\$19,448.00</u>	<u>\$19,500.71</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, Continued

For the Years Ended June 30, 1996 and 1997

	BALANCE 07/01/95	ADDITIONS	DELETIONS	BALANCE 06/30/97
Furniture, fixtures, and equipment	\$ 45,002	\$ 5,972	9,481	\$ 41,553
Vans and buses	135,628	-	-	135,628
Buildings and improvements	82,074	15,860	261	82,074
Investment in property and equipment	\$247,173	\$ 21,892	\$ 9,842	\$259,255
Less accumulated depreciation				126,449
Property and equipment net of accumulated depreciation				\$132,806

	BALANCE 06/30/97	ADDITIONS	DELETIONS	BALANCE 06/30/98
Furniture, fixtures, and equipment	\$ 41,553	\$ -	\$ -	\$ 41,553
Vans and buses	135,628	-	-	135,628
Buildings and improvements	82,074	-	-	82,074
Investment in property and equipment	\$259,255	\$ -	\$ -	\$259,255
Less accumulated depreciation				141,792
Property and equipment net of accumulated depreciation				\$117,463

## 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 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.

LIVINGSTON ASSOCIATION FOR RETARDED CITIZENS, INC.  
Notes to the Financial Statements, Continued  
For the Years Ended June 30, 1996 and 1997

- In fiscal year 1996-1997, 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 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.

ADDITIONAL INFORMATION

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**INDEPENDENT AUDITORS 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 June 30, 1996 and 1997 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. Ghustz  
Certified Public Accountant, APAC  
October 26, 1998

## LIVINGSTON ACTIVITY CENTER

## Cash and Cash Equivalents

June 30, 1998 and 1997

	1998	1997
Cash operating	8,684.67	10,826.61
Cash Payroll	10,881.16	6,841.17
Tower Account	250,655.37	240,747.99
Total	<u>\$ 270,221.20</u>	<u>\$ 258,415.77</u>

**LIVINGSTON ACTIVITY CENTER**  
**Supporting Schedule of Fixed Assets (Net)**  
**June 30, 1996 and 1997**

	<u>1996</u>	<u>1997</u>
Accum. Depr renovations	(8,911.80)	(7,209.68)
Renovations to center	61,703.48	61,703.48
Accum. Depr. Equipment	(27,814.86)	(21,813.03)
Equipment	36,374.80	36,374.80
Accum. Depr. Furn. & Fix	(8,481.48)	(8,188.28)
Furniture and Fixtures	6,178.63	6,178.63
Accum Depr Vehicles	(88,892.64)	(81,670.64)
Vehicles	136,628.12	136,628.12
Accum Depr Buildings	(11,322.03)	(9,248.67)
Buildings	20,270.47	20,270.47
<b>Total</b>	<u>\$ 117,482.81</u>	<u>\$ 124,608.20</u>

LIVINGSTON ACTIVITY CENTER  
Supporting Schedule of State Grants  
June 30, 1998 and 1997

	1998	1997
Supportive Employment Fee	2,782.89	30,900.00
Contract CC/DG	<u>174,618.87</u>	<u>178,994.00</u>
Total	<u>\$ 177,401.76</u>	<u>\$ 209,894.00</u>



LIVINGSTON ACTIVITY CENTER  
Supporting Schedule of Provider Contracts  
June 30, 1998 and 1997

	1998	1997
Contract Le Trouse Home	28,888.24	28,470.00
Contract - Abundant Life	25,410.00	24,560.88
Contract Howell House	29,994.08	29,900.44
Total	<u>\$ 84,292.32</u>	<u>\$ 78,931.32</u>

**LIVINGSTON ACTIVITY CENTER**  
**Supporting Schedule of Self-Generated**  
**June 30, 1998 and 1997**

	<u>1998</u>	<u>1997</u>
Income - Greenhouses	6,239.10	5,641.45
Income - Yards	29,320.00	27,721.50
Income - U.S. News	3,362.25	4,172.25
Income - Wood Stakes	24,227.60	27,433.25
Income - Ceramics	1,765.12	3,151.87
Contract Janitorial	14,950.00	11,927.25
Vending Machine Income	3,741.25	4,184.72
Recycled Road Income	75.00	362.00
Private Pay	1,050.00	
Total	<u>\$ 82,411.02</u>	<u>\$ 83,583.49</u>

**LEWISTON ACTIVITY CENTER**  
**Supporting Schedule of Salaries, Wages and Benefits**  
**June 30, 1998 and 1997**

	1998	1997
Salary and Wages	199,746.25	194,555.70
Payroll Taxes	18,821.84	16,202.41
Placement Salaries	7,171.89	10,980.32
Payroll Taxes	812.51	1,501.08
Total	<u>\$ 226,552.49</u>	<u>\$ 223,239.51</u>

**LIVINGSTON ACTIVITY CENTER**  
**Supporting Schedule of Operating Expenses**  
**June 30, 1998 and 1997**

	1998	1997
Utilities	6,829.12	7,351.14
Repair / Maintenance	7,842.13	13,890.07
Maintenance Kitchen/Daft	3,382.40	1,651.20
Telephone Expense	3,369.89	3,545.43
Telephone Expense Phones		237.88
Office Supplies	3,089.28	3,435.75
Postage and Freight	328.86	423.37
Insurance Expense	35,379.45	37,353.35
Dues and Subscriptions	1,829.59	780.75
Bank Charges	38.88	
Professional Services	11,245.87	6,780.00
Casual Labor	478.88	645.88
Evaluation Expense		489.88
Licenses and Fees	6,836.59	5,374.50
<b>Total</b>	<b>\$ 78,413.12</b>	<b>\$ 78,643.17</b>