

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.**  
Jena, Louisiana

Financial Statements and Auditor's Report

June 30, 1999  
and for the Year Then Ended

With Comparative Totals at June 30, 1998

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 \_\_\_\_\_

**SEP 08 1999**

**JERI SUE TOSSPON**  
Certified Public Accountant

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**Jena, Louisiana**

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**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.**

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SECTION I  
FINANCIAL STATEMENTS  
REPORT ON FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

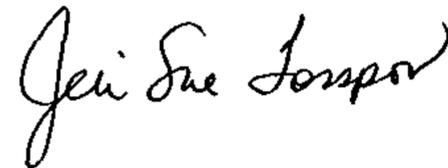
To the Board of Directors  
LaSalle Association for the Developmentally Delayed, Inc.  
Jena, Louisiana

I have audited the accompanying financial statements of the LaSalle Association for the Developmentally Delayed, Inc., (LADD), as of June 30, 1999, and for the year then ended. These financial statements are the responsibility of LADD's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit 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 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of LADD, as of June 30, 1999, and the results of its operations and the changes in financial position for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements of LADD. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements' and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.



Ferriday, Louisiana  
August 4, 1999

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1999**  
**(With Comparative Totals at June 30, 1998)**

	<u>General Fund</u>	<u>Work Project Fund</u>	<u>LADD Industries</u>	<u>June 30, 1999 Total</u>	<u>1998 Total</u>
<b>ASSETS</b>					
Cash on hand and in banks	\$ 14,250	\$ 24,511	\$ 16,420	\$ 55,181	\$ 46,444
Cash in savings and certificates of deposit	13,361	49,290		62,651	60,580
Accounts receivable OCDD	7,280			7,280	10,850
Medicaid	502			502	1,724
Sales			418	418	10,654
Inventory			19,956	19,956	11,544
Fixed assets (Note 3)	10,642		50,767	61,409	80,968
<b>Total Assets</b>	<u>\$ 46,035</u>	<u>\$ 73,801</u>	<u>\$ 87,561</u>	<u>\$ 207,397</u>	<u>\$ 222,764</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Payroll taxes payable	\$ 3,123	\$ 406	\$ 106	\$ 3,635	\$ 2,379
Notes payable (Note 4)	4,907		82,640	87,547	102,095
<b>Total Liabilities</b>	<u>\$ 8,030</u>	<u>\$ 406</u>	<u>\$ 82,746</u>	<u>\$ 91,182</u>	<u>\$ 104,474</u>
<b>Net Assets</b>					
Unrestricted	\$ 38,005	\$ 73,395	\$ 4,815	\$ 116,215	\$ 118,290
<b>Total Liabilities and Fund Balances</b>	<u>\$ 46,035</u>	<u>\$ 73,801</u>	<u>\$ 87,561</u>	<u>\$ 207,397</u>	<u>\$ 222,764</u>

See accompanying notes to financial statements.

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.**  
**STATEMENT OF ACTIVITY AND NET ASSETS**  
**YEAR ENDED JUNE 30, 1999**  
(With Comparative Totals for the Year Ended June 30, 1998)

	General Fund	Work Project Fund	LADD Industries	June 30, 1999 Total	1998 Total
<b>SUPPORT</b>					
State contracts (Note 5)	\$ 173,335			\$ 173,335	\$ 161,154
Contributions and memberships	9,124			9,124	3,225
Total Support	<u>\$ 182,459</u>			<u>\$ 182,459</u>	<u>\$ 164,379</u>
<b>REVENUE</b>					
Work project activities (Note 5)		\$ 52,802		\$ 52,802	\$ 51,631
Sales - LADD Industries			\$ 91,581	91,581	108,966
Interest	\$ 763	1,449	238	2,450	3,175
Total Revenue	<u>\$ 763</u>	<u>\$ 54,251</u>	<u>\$ 91,819</u>	<u>\$ 146,833</u>	<u>\$ 163,772</u>
Total Support and Revenue	<u>\$ 183,222</u>	<u>\$ 54,251</u>	<u>\$ 91,819</u>	<u>\$ 329,292</u>	<u>\$ 328,151</u>
<b>COST OF GOODS SOLD</b>					
			<u>\$ 62,937</u>	<u>\$ 62,937</u>	<u>\$ 88,185</u>
<b>EXPENDITURES (Note 7)</b>					
Salaries and client wages	\$ 111,824	\$ 37,524	\$ 11,345	\$ 160,693	\$ 143,195
Transportation	7,007			7,007	7,603
Rent	14,400			14,400	14,348
Insurance	8,915	1,588		10,503	10,517
Payroll taxes	9,774	2,928	2,716	15,418	12,188
Utilities	5,187		1,639	6,826	7,429
Training	175			175	73
Office and postage	2,905		51	2,956	3,428
Depreciation	18,298		2,501	20,799	21,043
Maintenance, repair and cleaning	4,598		367	4,965	4,107
Hospitalization	5,912			5,912	6,630
Equipment and supplies	27	2,647		2,674	3,645
Telephone	1,098			1,098	1,089
Travel	579			579	417
Interest	832		2,680	3,512	3,647
Professional fees	1,800			1,800	1,800
Food		477		477	590
Other - OMR reimbursible	1,559			1,559	847
Other - Non-OMR reimbursible (Note 6)	3,546	2,722	809	7,077	9,397
Total Expenditures	<u>\$ 198,436</u>	<u>\$ 47,886</u>	<u>\$ 22,108</u>	<u>\$ 268,430</u>	<u>\$ 251,993</u>
Excess (Deficit) of Support and Revenue over Expenditures	<u>\$ (15,214)</u>	<u>\$ 6,365</u>	<u>\$ 6,774</u>	<u>\$ (2,075)</u>	<u>\$ (12,027)</u>
Transfer In (Out)	0	0	0	0	0
Net Assets, Beginning of Year	<u>53,219</u>	<u>67,030</u>	<u>(1,959)</u>	<u>118,290</u>	<u>130,317</u>
Net Assets, End of Year	<u>\$ 38,005</u>	<u>\$ 73,395</u>	<u>\$ 4,815</u>	<u>\$ 116,215</u>	<u>\$ 118,290</u>

See accompanying notes to financial statements.

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.**  
**STATEMENT OF CASH FLOWS**  
**TOTAL - ALL FUNDS**  
**YEAR ENDED JUNE 30, 1999**  
**(With Comparative Totals for the Year Ended June 30, 1998)**

	1999	June 30, 1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (2,075)	\$ (12,026)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	20,799	21,043
(Increase) decrease in:		
Accounts receivable	15,029	(9,503)
Inventory	(8,413)	(1,262)
Increase (decrease) in:		
Accounts payable		
Accrued payroll tax	1,255	(360)
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>\$ 26,595</u>	<u>\$ (2,108)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	\$ (1,240)	\$ (2,800)
Contribution of equipment		
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>	<u>\$ (1,240)</u>	<u>\$ (2,800)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings		
Repayment of debt	\$ (14,547)	\$ (14,413)
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	<u>\$ (14,547)</u>	<u>\$ (14,413)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 10,808</b>	<b>\$ (19,321)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u>107,024</u>	<u>126,345</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 117,832</u></u>	<u><u>\$ 107,024</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest paid	\$ 3,512	\$ 3,647

See accompanying notes to financial statements.

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 1 - LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED**

LaSalle Association for the Developmentally Delayed, Inc., (LADD) was organized in 1976 to promote the general welfare of retarded citizens wherever they may be, and, specifically, to provide as normal a work and learning atmosphere in the least restrictive environment for retarded adults in LaSalle Parish. The Association receives funding from the State of Louisiana, Office for Citizens with Developmental Disabilities (OCDD), the Louisiana Medicaid Program, On-site Intensive Training Program, performs services for the general public under its Work Project program, and receives funds for other activities from memberships and contributions. In 1991, the Association began operations of LADD Industries to provide further supported employment opportunities for its clients.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Fund Accounting**

In order to ensure observance of limitations and restrictions placed on the use of resources available to LADD, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund and, accordingly, all financial transactions have been recorded and reported in the following fund groups:

General Fund - Resources are provided under several contracts from the State of Louisiana, based on the days or types of services provided, and by other sources such as interest, contributions, and membership dues. Expenditures are of a nature of those specified by the State in its *Guidelines for Allowable Costs* from the OCDD, except as noted hereafter.

Work Project Fund and LADD Industries Fund - Resources are provided as fees for services performed by or sales of products made by the clients and interest and are used to pay wages to the clients and other costs as needed for these services, including the purchase of the LADD Industries building.

B. Income Tax Status

LADD qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes.

NOTE 3 - FIXED ASSETS AND DEPRECIATION

During past years, LADD received three vans through the Urban Mass Transit Act grant, Section 16(b)(2) program, through the Louisiana Department of Transportation (DOTD). LADD has capitalized their 30% matching portions of the vans in addition to the 70% in-kind grant funds received. The DOTD holds a reversionary interest in the vans. Fixed assets consist of these vans and other small items. Ownership of all fixed assets in the general fund of LADD would revert to the Department of Health and Hospitals, OCDD, if LADD were to cease to function. Depreciation is provided on a straight-line basis over various lives recommended by the OCDD.

There are also fixed assets owned by LADD Industries in the amount of \$67,566 in 1999 and 1998 including the LADD Industries building and real estate in the amount of \$54,735. Depreciation on these assets is provided on the straight-line basis over their useful life.

	Balance June 30, 1998	Additions	Retirements	Balance June 30, 1998
General Fund	\$ 75,085	\$ 1,240		\$ 76,325
Work Project Fund				
Ladd Industries	<u>67,566</u>			<u>67,566</u>
	\$142,651	<u>\$ 1,240</u>		\$143,891
Less Accumulated Depreciation	<u>61,683</u>	<u>\$ 20,799</u>		<u>82,482</u>
	<u>\$ 80,968</u>	<u>\$ 19,559</u>		<u>\$ 61,409</u>

NOTE 4 - NOTES PAYABLE

Notes payable consist of the following:

General Fund - Southern Heritage Bank secured by certificates of deposit, for the 1995 van, bearing interest at 6.75%, payments of \$172 per month	\$ 2,164
General Fund - Southern Heritage Bank secured by certificates of deposit, for the 1996 van, bearing interest at 6.75%, payments of \$170 per month	2,743

LADD Industries - Small Business Administration secured by mortgages on the LADD Industries building and inventories, bearing interest at 3%, payments of \$1,163 per month	<u>82,640</u>
	<u>\$ 87,547</u>

The future scheduled maturities of long-term debt are as follows:

Years ended June 30,	
2000	15,799
2001	12,886
2002	12,181
2003	12,551
2004	12,933
Thereafter	<u>21,197</u>
	<u>\$ 87,547</u>

#### NOTE 5 - SUPPORT AND REVENUE

Support in the general fund was as follows:

OCDD - Day Habilitation Program	\$160,246
Medicaid Title XIX Program	12,201
OCDD - ISIS Program	<u>888</u>
	<u>\$173,335</u>

Ladd Industries has been involved in the assembly of U S Government Wash Kits (through the aid of the National Industries for the Severely Handicapped Organization), assembly of admission kits for sale to local hospitals, the resale of clothing and other items, and fabrication of crawfish nets for retail and wholesale sale.

#### NOTE 6 - COST OF GOOD SOLD

Cost of good sold is made up of the following:

Beginning inventory	\$ 11,544
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Add:	Cost of production		
	Labor	\$15,273	
	Materials	48,406	
	Freight	821	
	Taxes	1,146	
	Other	<u>1,666</u>	<u>67,312</u>
	Total goods available for sale		\$ 78,856
	Less: Ending inventory		<u>19,956</u>
	Cost of goods sold - manufactured items		\$ 58,900
	Items bought for resale		<u>4,037</u>
	Total cost of goods sold		<u>\$62,937</u>

NOTE 7 - EXPENDITURES

Expenditures in the general fund were made in accordance with the specifications listed by the Office for Citizens with Developmental Disabilities in their *Guidelines for Allowable Costs - Adult Day Services for Persons with Developmental Disabilities*, except as follows:

Directors Fees	\$ 1,800
Applicable payroll taxes	142
Depreciation	12,496
Other (net)	<u>1,603</u>
	<u>\$16,041</u>

These costs were not paid with state funds, but by local funds raised by LADD.

NOTE 8 - PENSION PLAN

LADD does not have a retirement plan for its employees.

NOTE 9 - LITIGATION

LADD is not involved in any litigation as of June 30, 1999.

NOTE 10 - YEAR 2000 COMPLIANCE

LADD estimates the cost of programming to become Year 2000 compliant will be negligible.

SECTION II  
REPORT ON COMPLIANCE  
AND INTERNAL CONTROL

**JERI SUE TOSSPON**  
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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*

To the Board of Directors  
LaSalle Association for the Developmentally Delayed, Inc.  
Jena, Louisiana

I have audited the financial statements of LaSalle Association for the Developmentally Delayed, Inc., as of June 30, 1999, and for the year then ended, and have issued my report thereon dated August 4, 1999. I conducted my audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether LaSalle Association for the Developmentally Delayed, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contract 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*.

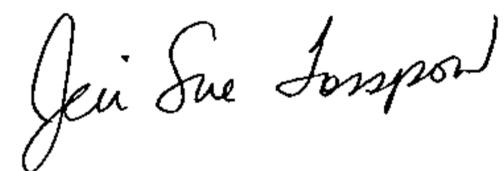
Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements of the Association, I considered its internal control structure 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

To the Board of Directors  
LaSalle Association for the Developmentally Delayed, Inc.  
Page Two

reporting. My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in cursive script that reads "Jeni Sue Lonsford".

Ferriday, Louisiana  
August 4, 1999

SECTION III  
SUPPLEMENTAL INFORMATION

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.  
SCHEDULE OF DIRECTOR'S COMPENSATION  
YEAR ENDED JUNE 30, 1999**

Cleveland Riser, President

\$ 1,800