

INDEPENDENT AUDITOR'S REPORTASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.(A NOT FOR PROFIT ORGANIZATION)FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1997

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

Reference Date: NOV 03 1997
Puckethwaite & Netterville

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ASSISTANCE ASSOCIATION FOR RETARDED CITIZENS, INC.

(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1997



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INDEPENDENT AUDITORS' REPORT

Board of Directors

Assumption Association for Retarded Citizens, Inc.
Houma, Louisiana

We have audited the accompanying statements of financial position of Assumption Association for Retarded Citizens, Inc. as set forth for profit organizations) as of June 30, 1987 and 1986 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assumption Association for Retarded Citizens, Inc. as of June 30, 1987 and 1986, and the changes in its net assets and in cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 28, 1987 on our consideration of Assumption Association for Retarded Citizens, Inc.'s internal control over financial reporting and on the scope of its compliance with certain provisions of laws, regulations, contracts, and grants.

The audits were conducted for the purpose of forming an opinion on the basic financial statements of Assumption Association for Retarded Citizens, Inc. taken as a whole. The accompanying schedules of public support and revenue and in some instances expenses are presented for purposes of additional analysis and are 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Houma, Louisiana
August 28, 1987

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1987 AND 1986

	1987	1986
ASSETS:		
Cash and cash equivalents	\$ 118,477	\$ 8,885
Certificates of deposit	62,600	263,571
Accounts receivable	140,284	140,660
Interest receivable	179	5,939
Investments	776,942	481,780
Land, buildings, and equipment	467,038	439,576
TOTAL ASSETS	\$ 1,563,530	\$ 1,298,114
LIABILITIES AND NET ASSETS:		
Accounts payable	\$ 37,283	\$ 37,003
Payroll taxes payable	3,699	2,510
TOTAL LIABILITIES	40,982	39,513
NET ASSETS:		
Unrestricted	1,522,548	1,258,601
TOTAL LIABILITIES AND NET ASSETS	\$ 1,563,530	\$ 1,298,114

The accompanying notes are an integral part of these statements.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 1997 AND 1996

	December 1997	December 1996
REVENUES AND OTHER SUPPORT:		
Public Support:		
Public contributions	\$ 3,384	\$ 15,400
Allocated by Capital Area United Way	15,180	14,276
Contributions from Government Agencies	3,583,188	3,298,400
Other Revenues:		
Unrealized gain on investments	18,156	1,494
Membership dues - individual	815	1,493
Sales to public (net of expenses of \$41,908 and \$21,884, respectively)	868,280	865,414
Activity center activities	388,361	399,849
Interest and dividend income	41,231	33,293
Loss on sale of investments	(11,850)	-
Gain on sale of assets	852	184
Miscellaneous revenues	1,424	4
Total revenues and other support	<u>5,726,781</u>	<u>5,027,337</u>
EXPENSES:		
Hospice/24th Meals	238,094	238,094
Dietary Meals	288,888	291,582
Activity Center	338,476	342,519
Project Fund	143,897	168,315
Attentional Fund	23,578	26,717
Waiver Services	228,048	187,675
Fees for Services	18,138	8,145
Central Office	153,441	165,114
Total expenses	<u>1,458,652</u>	<u>1,529,155</u>
Change in net assets	428,129	327,182
Net assets at beginning of year	<u>1,234,540</u>	<u>1,886,658</u>
Net assets at end of year	<u>\$ 1,662,669</u>	<u>\$ 1,259,476</u>

The accompanying notes are an integral part of these statements.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 294,128	\$ 207,428
Adjustments to reconcile change in net assets used by operating activities:		
Depreciation	49,904	50,014
Noncash donations	-	(6,775)
Gain on sale of assets	(333)	(11)
Unrealized gain on investments	(28,154)	(1,714)
Loss on sale of investments	1,193	-
(Decrease) decrease in accounts receivable	267	(9,014)
(Decrease) decrease in interest receivable	5,899	(3,714)
Increase in accounts payable	298	7,141
Increase in payroll taxes withheld	1,888	1,141
(Decrease) in accrued interest payable	-	(2,142)
	<u>29,445</u>	<u>265,041</u>
Net cash provided by operating activities	<u>323,573</u>	<u>472,469</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (decrease) decrease in certificates of deposit	(79,023)	(179,041)
Purchases of investments	(382,434)	(508,371)
Sales of investments	191,611	566,000
Purchases of property and equipment	(33,833)	(26,712)
Cash received from sales of property and equipment	5,282	4,115
	<u>(184,397)</u>	<u>(143,019)</u>
Net cash used for investing activities	<u>(184,397)</u>	<u>(143,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal advances on notes payable	-	25,144
Principal payments on notes payable	-	(187,114)
	<u>-</u>	<u>(161,970)</u>
Net cash used for financing activities	<u>-</u>	<u>(161,970)</u>
Net increase (decrease) in cash and cash equivalents	139,176	167,480
Cash and cash equivalents at beginning of year	6,885	167,480
Cash and cash equivalents at end of year	<u>\$ 146,061</u>	<u>\$ 334,960</u>
Supplemental data:		
Interest paid	\$ -	\$ 5,215
Noncash transactions:		
Donation of land	-	6,500

The accompanying notes are an integral part of these statements.

ASSUMPTION ASSOCIATION FOR RETIRED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The Association is a non-profit organization formed to furnish education and recreation to the mentally retarded and handicapped persons of Assumption Parish. The Association is entirely dependent upon appropriations from State agencies and other contributions.
- B. To ensure proper usage of restricted and unrestricted assets, the Association maintains its accounts according to fund accounting principles, whereby funds are classified in accordance with specified restrictions or objectives.
- C. Buildings and equipment are recorded at cost and are being depreciated using accelerated and the straight-line methods over their estimated useful lives as follows:

Buildings	30 - 40 years
Transportation equipment	5 years
Other equipment	5 - 10 years

- D. Management has determined that all accounts receivable are collectible. Therefore, no reserve for uncollectible accounts has been established.
- E. The majority of the Association's revenue is derived from third-party reimbursement arrangements. These revenues and the allowability of the related expenditures are subject to audit by the granting agencies.
- F. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction or purpose 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets are to be maintained, the Organization reports repurchases of donor contributions when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donors, are recorded at their fair values in the period received.

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.,
(A NOT FOR PROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

- G. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. For example, actual results could differ from these estimates.
- H. The Association insures all cash accounts and certificates of deposit with a maturity of three months or less which purchased to be cash and cash equivalents.
- I. The Association is exempt from the income taxes under section 501 (c) (3) of the Internal Revenue Code and is not considered a private foundation.

2. Cash

The Association maintains cash pools that are available for use by the individual funds.

The individual fund cash balances at June 30, carried at cost, which approximates market value, were as follows:

Fund	Cash Balances	
	1997	1996
Wapahostet In-Memoriam	\$ 5,181	(3) 28,898
Yuleau In-Memoriam	39,390	(45,467)
Activity Center	52,791	38,325
Project Fund	28,676	35,576
Assistance Fund	(60,777)	(42,088)
Waiver Services	28,646	40,388
Fee for Services	58,232	28,799
Incubation Living	(1,847)	(1,847)
Central Office	(4,505)	(8,474)
	\$ 118,077	\$ 8,885

At June 30, 1997, the carrying amount of the Association's deposits were \$118,077 and the bank balance was \$71,714. Of the bank balance, \$48,216 was covered by Federal depositary insurance and \$24,500 was uninsured.

ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

3. Investment Securities

Investments are carried at market value and realized and unrealized gains and losses are reflected in the statement of activities. Marketable equity securities are made up of mutual funds.

	<u>Marketable Equity Securities</u>	<u>U.S. Treasury Bills</u>	<u>Total</u>
Investments at June 30, 1990	\$ 324,188	\$ 85,268	\$ 409,456
Purchases	258,000	-	258,000
Sales	(366,000)	-	(366,000)
Interest and dividends	13,667	4,660	18,327
Unrealized gains (losses)	2,471	(466)	1,935
Investments at June 30, 1989	312,327	69,463	481,790
Purchases	408,853	-	408,853
Sales	(182,886)	-	(182,886)
Interest and dividends	23,879	4,911	28,790
Unrealized gains (losses)	9,228	(1,114)	8,114
Investments at June 30, 1987	\$ 681,462	\$ 35,478	\$ 716,940

The distribution of Treasury bills at June 30, 1987 were as follows:

	<u>Par Value</u>	<u>Market Value</u>
11/15/87	\$ 25,000	\$ 24,408
09/15/88	27,000	25,318
08/15/89	15,000	13,207
11/15/90	40,000	32,411
	<u>\$107,000</u>	<u>\$ 95,435</u>

ASSUMPTION ASSOCIATION FOR RETIRED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

4. Contributions from government agencies

Contributions from government agencies at June 30, 1997 consist of the following:

	Waplesville Munic.	Tillamoc Munic.	Activity Centre	Wagner Services	Fee for Service	Total
Title XXX	\$ 317,740	\$ 302,814	\$ -	\$ -	\$ -	\$ 620,554
Patrol Liability OR&E	34,284	34,875	-	-	-	69,159
Wagner contract	-	-	260,000	-	-	260,000
Fee for services contract	-	-	-	368,505	-	368,505
					37,339	37,339
Total	\$ 352,024	\$ 337,689	\$ 260,000	\$ 368,505	\$ 37,339	\$ 1,355,557

Contributions from government agencies at June 30, 1996 consist of the following:

	Waplesville Munic.	Tillamoc Munic.	Activity Centre	Wagner Services	Fee for Service	Total
Title XXX	\$ 278,818	\$ 254,836	\$ -	\$ -	\$ -	\$ 533,654
Patrol Liability OR&E	26,349	25,492	-	-	-	51,841
Wagner contract	-	-	260,000	-	-	260,000
Fee for services contract	-	-	-	222,550	-	222,550
					31,282	31,282
Total	\$ 305,167	\$ 280,328	\$ 260,000	\$ 222,550	\$ 31,282	\$ 1,099,327

**ASSUMPTION ASSOCIATION FOR RETARDED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

5. Buildings and Equipment

Buildings and equipment at June 30, 1997 and 1996 consist of the following:

	1997	1996
Buildings	\$ 641,404	\$ 593,770
Building improvements	-	2,858
Land	3,300	-
Construction in progress	9,579	-
Transportation equipment	169,839	174,974
Furniture and equipment	205,779	193,986
	1,047,901	965,648
Less: Accumulated depreciation	(562,872)	(436,579)
	\$ 485,029	\$ 529,069

6. Commitments

Pursuant to the terms of FDA (Medicaid) and Disabled Services (SSB) funding for the purchase of a van, the Association is required to match 30% of the purchase price of a new van. As of June 30, 1997, the Association expended \$5,165 for the matching portion of a van that is expected to be received in December 1997.

SUPPLEMENTARY INFORMATION

ASSUMPTION ASSOCIATION FOR RETIRED CITIZENS, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
SCHEDULE OF SUPPORT AND REVENUE
YEAR ENDED JUNE 30, 1992 AND 1991

	Supporting Means		Voluntary Means		Activity Funds		Reserve Fund	
	1992	1991	1992	1991	1992	1991	1992	1991
Other Support:								
Public Institutions	\$ -	\$ 3,168	\$ -	\$ 158	\$ 2,000	\$ 1,128	\$ 140	\$ 540
University Capital Asset Cleared By	1,000	2,473	1,494	4,511	6,338	1,128	-	4,049
Contributions From Organizational Agencies	241,000	285,117	282,484	282,218	147,000	282,123	-	-
Other Revenues	1,201	166	1,111	65	4,000	664	-	-
Unrestricted gifts from non-investments	-	-	-	-	-	-	-	-
Membership dues	-	-	-	-	-	-	-	-
Gifts to purchase endowment	-	-	-	-	-	-	14,250	15,000
Reimbursements	-	-	-	-	-	-	-	-
Interest and dividend income	1,128	1,657	17,022	24,166	34,332	14,264	1,011	181
Grant income and other contributions	279	-	1,052	-	279	1,108	1,011	181
Early entry to gifts of funds	25	-	1,000	-	-	11	1,011	190
Endowments	-	-	-	-	11	-	-	-
Total Public Support and Other Revenues	1,201	1,163	1,111	1,144	1,479	1,128	1,161	1,721

ASSOCIATION FOR RETIRED CITIZENS, INC.
(A NOT FOR PROFIT ORGANIZATION)
SCHEDULE OF SUPPORT AND REVENUE
YEAR ENDED JUNE 30, 1997 AND 1996

	Specialized Fee		Service Activities		In-Office Activities		In-Home Activity		Event (Other)	
	1997	1996	1997	1996	1997	1996	1997	1996	1997	1996
Private Support										
Public Contributions										
Amount by United Way Funded Day	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions from Environmental Agency	-	-	100,000	97,514	23,004	14,000	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	-	-
Donated gifts (see notes)	800	99	-	-	-	-	-	-	-	-
Membership fees	110	1,400	-	-	-	-	-	-	-	-
Security profits (see notes)	-	-	-	-	-	-	-	-	-	-
Rental activities	-	-	-	-	-	-	-	-	-	-
Interest and dividend income	906	917	7,443	2,000	1,100	1,100	-	-	-	-
Gifts from individuals	905	-	-	-	-	-	-	-	-	-
Gifts from individuals	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	1,400	-	-	-	-	-	-	-
Total Public Support and Other Revenues	\$ 4,000	\$ 2,001	\$ 111,500	\$ 100,014	\$ 24,104	\$ 15,100	\$ 23,100	\$ -	\$ -	\$ -



ASSUMPTIONS ASSOCIATION FOR RETARDED CITIZENS, INC.
LA SOCI FOR EIGHT ORGANIZATION
SCHEDULE OF FUNDING EXPENSES
YEAR ENDED JUNE 30, 1997 AND 1996

	Assumption Fund		United Service		Perfor Services		Community	
	1997	1996	1997	1996	1997	1996	1997	1996
Salaries	\$ 1,000	\$ 1,000	\$ 110,000	\$ 110,000	\$ 4,000	\$ 4,000	\$ 9,000	\$ 9,000
Grant services	-	-	-	-	-	-	-	-
Employee benefits	-	-	1,100	120	-	-	1,000	1,000
Activity center services	-	-	60,000	40,000	-	-	-	-
Donations	1,000	1,000	-	-	-	-	-	-
Other supplies	-	-	50	50	-	-	1,000	800
Auto Expense	-	-	50	50	50	50	500	500
Postage	-	-	5	5	-	-	-	-
Professional services	-	-	-	-	-	-	-	-
Telephone	100	100	80	1,000	-	-	500	500
Travel	50	50	-	-	-	-	-	-
Travel and entertainment	1,000	1,000	2,000	1,000	1,000	1,000	2,000	1,000
Supplies	250	250	40	40	-	-	50	50
Interest/Phone	700	700	1,000	1,000	200	200	1,000	1,000
Other	1,000	1,000	10	1,000	1,000	1,000	50	50
Repairs and Maintenance	-	-	-	-	-	-	-	-
Reproduction	-	-	50	-	-	-	-	-
Other	1,000	1,000	-	-	-	-	-	-
Advertising	200	200	-	-	-	-	-	-
Utilities	-	-	50	50	-	-	-	-
Supplies	50	50	10	10	-	-	-	-
Medical Services	-	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-
Relief fee	-	-	-	-	-	-	-	-
Field expenses before stated office	\$ 1,100	\$ 1,100	\$ 110,000	\$ 110,000	\$ 4,000	\$ 4,000	\$ 9,000	\$ 9,000
Office expenses	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Telephone direct inter local	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000





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ASSUMPTION ASSOCIATION FOR EXTENDED CITIZENS, INC. **IMPLEMENTATION OF PROCEDURES FOR COMPLIANCE AND ON** **INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN** **AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH** **GOVERNMENT AUDITING STANDARDS**

Board of Directors
Assumption Association for
Extended Citizens, Inc.
Napoleonville, Louisiana

We have audited the financial statements of Assumption Association for Extended Citizens, Inc., as of and for the years ended June 30, 1997 and 1996, and have issued our report thereon dated August 28, 1997. We conducted our audits in accordance with generally accepted auditing standards and the 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 Assumption Association for Extended Citizens, Inc.'s financial statements are free of material misstatement, we performed tests of its 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 our audit, and, accordingly, we did not express such an opinion. The results of our 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 our audit, we considered Assumption Association for Extended Citizens, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, our audit did not result in identifying the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions are deficiencies relating to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, would adversely affect Assumption Association for Extended Citizens, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The reportable conditions noted are as follows:

Finding:	There is insufficient segregation of duties to have effective internal control.
Cause:	This condition is due to the size of the accounting staff.
Recommendation:	No action is recommended.
Management's Response:	We concur with the finding and recommendation.

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. Our consideration of the internal control over financial reporting would not necessarily identify all weaknesses in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the lack of segregation of duties described above to be a material weakness.

This report is intended for the information of the board of directors, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Donaldsonville, Louisiana
August 28, 1997