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SISTERS OF ST. JOSEPH
ST. PAUL CENTER, INC.
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1996

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 18 1996

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INDEPENDENT AUDITOR'S REPORT

August 6, 1996

Sr. Kathleen Bahlinger, Director
The Sisters of St. Joseph-St. Paul Center, Inc.
Baton Rouge, Louisiana

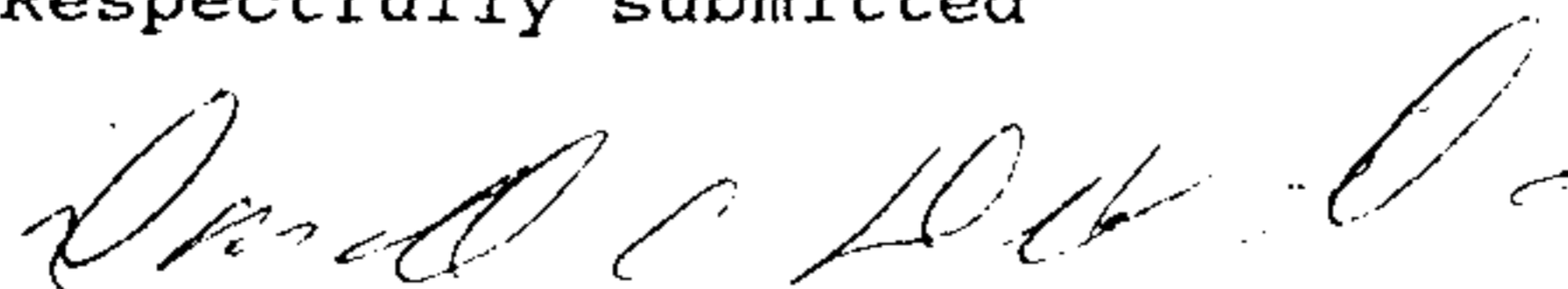
I have audited the accompanying balance sheet of the Sisters of St. Joseph-St. Paul Center, Inc. (a non-profit organization) as of June 30, 1996, and the related statements of public support, revenue, expenses and changes in fund balances, and functional expenses for the year then ended. These financial statements are the responsibility of the Sisters of St. Joseph-St. Paul Center, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. 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 statement presentation. I believe that my audit provided 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 the Sisters of St. Joseph-St. Paul Center, Inc. as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 31, 1995, on our consideration of Sisters of St. Joseph - St. Paul Center's internal control structure and a report dated October 31, 1995, on its compliance with laws and regulations.

Respectfully submitted



SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
BALANCE SHEET
JUNE 30, 1996

(With June 30, 1995 Comparative Balances)

	CURRENT FUNDS		PLANT	TOTAL		
	OPERATING	RESTRICTED	FUND	ALL FUNDS	1996	1995
<u>ASSETS</u>						
CASH	\$31,044	-0-	-0-	\$31,044	\$32,076	
ACCOUNTS RECEIVABLE	562	-0-	-0-	562	1,042	
GRANTS RECEIVABLE	-0-	\$11,440	-0-	11,440	13,221	
EMPLOYEE WITHHOLDINGS	-0-	-0-	-0-	-0-	-0-	
DUE FROM OTHER FUNDS	11,440	-0-	-0-	11,440	13,058	
EQUIPMENT, NET	-0-	-0-	\$15,692	15,692	8,539	
INSURANCE DEPOSIT	302	-0-	-0-	302	501	
	43,348	11,440	15,692	70,480	68,437	

LIABILITIES AND FUND EQUITY

LIABILITIES

ACCOUNTS PAYABLE	\$972	\$-0-	-0-	\$972	\$347	
EMPLOYEE WITHHOLDINGS	15	-0-	-0-	15	117	
DUE TO OTHER FUNDS	-0-	\$11,440	-0-	11,440	13,058	
ESCROW - EMPLOYEE FUNDS	-0-	-0-	-0-	-0-	163	
	987	11,440	-0-	12,427	13,685	

FUND EQUITY

FUND BALANCES:						
UNRESTRICTED	42,361	-0-	-0-	42,361	46,213	
PLANT	-0-	-0-	\$15,692	15,692	8,539	
	42,361	-0-	15,692	58,053	54,752	
TOTAL LIABILITIES AND FUND EQUITY	43,348	11,440	15,692	70,480	67,711	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1996

(With June 30, 1995 Comparative Balances)

	CURRENT FUNDS		PLANT	TOTAL		
	OPERATING	RESTRICTED	FUND	ALL FUNDS	1996	1995
PUBLIC SUPPORT:						
CONTRIBUTIONS	\$35,478	-0-	-0-	\$35,478	\$26,116	
GRANT-FAMILY SUPPORT	-0-	\$104,529	-0-	104,529	115,417	
GRANT-LABOR	-0-	10,242	-0-	10,242	9,033	
GRANT-EDUCATION	-0-	34,720	-0-	34,720	28,812	
GRANT-CAREER NET	-0-	23,532	-0-	23,532	-0-	
GRANT-CSJ	1,000	-0-	-0-	1,000	3,000	
TOTAL PUBLIC SUPPORT	36,478	173,023	-0-	209,501	182,378	
REVENUE:						
INTEREST INCOME	601	-0-	-0-	601	598	
OTHER	2,848	-0-	-0-	2,848	2,379	
TOTAL REVENUE	3,449	-0-	-0-	3,449	2,977	
TOTAL PUBLIC SUPPORT AND REVENUE	39,927	173,023	-0-	212,950	185,355	
EXPENSES:						
PROGRAM SERVICES:						
P I	-0-	104,529	-0-	104,529	-0-	
EDUCATION	-0-	34,720	-0-	34,720	28,812	
LABOR	-0-	9,458	-0-	9,458	9,033	
CAREER NET	-0-	14,883	-0-	14,883		
SUPPORTING SERVICES:						
MANAGEMENT	42,871	-0-	3,188	46,059	24,489	
TOTAL EXPENSES	42,871	163,590	3,188	209,649	177,751	
EXCESS (DEFICIENCY) OF PUBLIC SUPPORT AND REVENUE OVER EXPENSE	(2,944)	9,433	(3,188)	3,301	7,604	
OTHER CHANGES:						
Equipment Additions	(908)	(9,433)	10,341	-0-	-0-	
FUND BALANCE, JULY 1	46,213	-0-	8,539	54,752	47,148	
FUND BALANCE, JUNE 30	42,361	-0-	15,692	58,053	54,752	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

SISTERS OF ST JOSEPH - ST PAUL CENTER
SUMMARY FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1996

	PROJECT INDEPENDANCE	EDUCATION	LABOR	CAREER NET	MANAGEMENT	TOTAL
	-----	-----	-----	-----	-----	-----
SALARIES	\$82,901	\$28,890	\$8,538	\$12,408	\$16,466	\$149,203
PAYROLL TAXES	2,609	1,147	598	881	1,190	6,425
BENEFITS	1,663	0	269	42	1,417	3,391
	-----	-----	-----	-----	-----	-----
	87,173	30,037	9,405	13,331	19,073	159,019
ACCOUNTING	2,200	0	0	0	0	2,200
AUTO	0	0	0	0	1,820	1,820
BANK CHARGES	0	0	0	0	235	235
CASUAL LABOR	0	0	0	0	378	378
EDUCATION MATERIAL	4,094	2,223	0	812	411	7,540
EMERGENCY ASSISTANCE	0	0	0	0	7,579	7,579
EQUIPMENT	872	0	0	0	2,275	3,147
GIFTS	0	0	0	0	927	927
INSURANCE	0	0	0	0	328	328
JANITORIAL	289	0	0	0	170	459
MISCELLANEOUS	0	0	0	0	4,171	4,171
OFFICE EXPENSE	551	8	53	0	500	1,112
POSTAGE	169	52	0	0	1,819	2,040
RENT	7,800	2,400	0	0	0	10,200
REPAIRS	32	0	0	0	542	574
SUPPLIES	670	0	0	0	384	1,054
TAXES LICENSES FEES	0	0	0	0	1,111	1,111
TELEPHONE	650	0	0	391	131	1,172
TRAVEL	29	0	0	349	740	1,118
SPECIAL EVENTS	0	0	0	0	277	277
	-----	-----	-----	-----	-----	-----
EXPENSES BEFORE DEPRECIATION	104,529	34,720	9,458	14,883	42,871	206,461
DEPRECIATION	0	0	0	0	3,188	3,188
	-----	-----	-----	-----	-----	-----
TOTAL EXPENSES	104,529	34,720	9,458	14,883	46,059	209,649
	=====	=====	=====	=====	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Sisters of St. Joseph - St. Paul Center, Inc. (Center) is a Louisiana non-profit corporation, first began in 1983 and then incorporated in 1987 to be operated exclusively for charitable and educational purposes, including: extending educational opportunities to the adult population be they free or imprisoned; offering social services with a specified area to those in financial distress.

B. Statement Presentation

The accompanying financial statements are prepared in accordance with the recommendations of the American Institute of Certified Public Accountants in its industry audit guide, Audit of Voluntary Health and Welfare-Organizations.

C. Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Center, the accounts of the Center are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various funds established according to their nature and purposes. Separate accounts are maintained for each fund. Accordingly, all financial transactions have been recorded and reported by fund groups.

The assets, liabilities and fund balance of the Center are reported as follows:

Current Funds:

Operating Fund - consists of assets (except land, buildings, and equipment) and public support and revenue available and used for current operations and expenditures for current programs, and amounts designated by the Board of Directors for long term investments, equipment replacement, or other specific purposes.

Restricted Fund - consists of assets available to meet current expenses, but only in compliance with restrictions specified by donors.

Plant Funds:

Plant Fund - consist of the fixed assets of the Center and amounts donated to assist with the acquisition, construction or renovation of fixed assets.

SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Income Taxes

The Center has a group determination letter from the Internal Revenue Service advising it that it qualifies as a non-profit corporation under section 501 (C) (3) of the Internal Revenue Code (IRC), and therefore, is not subject to income tax. It has been classified as an organization that is not a private foundation under Section 509 (A) (2) of the IRC.

E. Allocated Expenses

Expenses by function have been allocated among program and administrative services classifications on the basis of time records and on estimates made by the Center's management.

F. Fund Raising Cost

Fund raising cost are not considered significant and are combined with management expenses for the period presented.

G. Cash and Investments

Cash and investments are stated at cost. The Center maintains its funds in demand and interest-bearing savings accounts insured by the FDIC.

H. Accounts Receivable

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income.

The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

I. Prepaid

Insurance and similar services which extend over more than one accounting period are considered immaterial and are expensed when paid.

J. Inventories

Inventories in the operating fund are considered immaterial and are recorded as expenses when purchased.

SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Equipment

Equipment is stated at cost. Assets purchased with grant funds are expensed when purchased and transferred to the plant fund. Depreciation its other assets is provided on the straight-line method over estimated useful lives of 3 to ten years for equipment.

L. Grant Revenue

Revenue for federal grants is recorded based on expenses incurred since these grants are on a cost-reimbursement basis.

M. COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Center's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

N. TOTAL COLUMN ON COMBINED STATEMENTS

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in fund balances in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE #2. CASH

The carrying value of the Organizations cash is as follows as of June 30, 1996:

	<u>BOOK VALUE</u>	<u>BANK BALANCE</u>	<u>FDIC INSURED</u>
Operating:			
Petty cash	\$75	-0-	-0-
Demand	7,512	\$21,917	\$21,917
Savings	23,457	23,457	23,457
	<u>31,044</u>	<u>45,374</u>	<u>45,374</u>

SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996

NOTE #3. PLANT ASSETS

A summary of plant assets follows:

Equipment	\$34,348
Less: Accumulated Depreciation	(18,656)
	<hr/>
Total Equipment	15,692
	<hr/> <hr/>

NOTE #4. LEASED FACILITIES

The buildings used by the Center were leased for \$10,200 on a year-to-year basis.

NOTE #5. BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE #6. ECONOMIC DEPENDENCY

The Center receives the majority of its revenues from funds provided through payments administered by the Project Independence program. If significant budget cuts are made at the federal/state level the amount of funds the Center receives could be reduced significantly and have a impact on its operations. Management is not aware of any actions that will adversely effect the amount of funds the Center will receive in the next fiscal year.

NOTE #7. FEDERAL AND STATE ASSISTED PROGRAMS

Federal and State grant programs represent an important source of funding to finance employment, construction and social programs which are beneficial to the Parish. These funds are recorded in the Special Revenue Funds and Capital Project Funds. The grants normally specify the purpose for which the funds may be used and are audited annually in accordance with the Office of Management and Budget's Circular A-133 under the "Single Audit Concept." Accordingly, a Schedule of Federal Financial Assistance is presented in this report.

The Center receives large amounts of Federal and State grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. Based on past experience, disallowed cost, if any, for grants will be immaterial.

SUPPLEMENTAL INFORMATION

SISTERS OF ST. JOSEPH - ST. PAUL CENTER, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 1996

<u>PROGRAM TITLE</u>	<u>FEDERAL CDFA NUMBER</u>	<u>FEDERAL REVENUE RECOGNIZED</u>	<u>EXPENSES</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Passed Through Project Independence, Office Family Support			
JOBS	93.021	\$104,529	\$104,529 *
<u>DEPARTMENT OF EDUCATION:</u>			
Passed Through Louisiana Department of Education -			
ADULT EDUCATION	84.002	34,720	34,720
<u>DEPARTMENT OF LABOR:</u>			
Passed Through Louisiana Department of Employment & Training -			
JTPA	17.246	9,458	9,458
Career Net		23,532	23,532
		32,990	32,990
TOTALS		<u>172,239</u>	<u>172,239</u>

* Major Grant

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

August 5, 1996

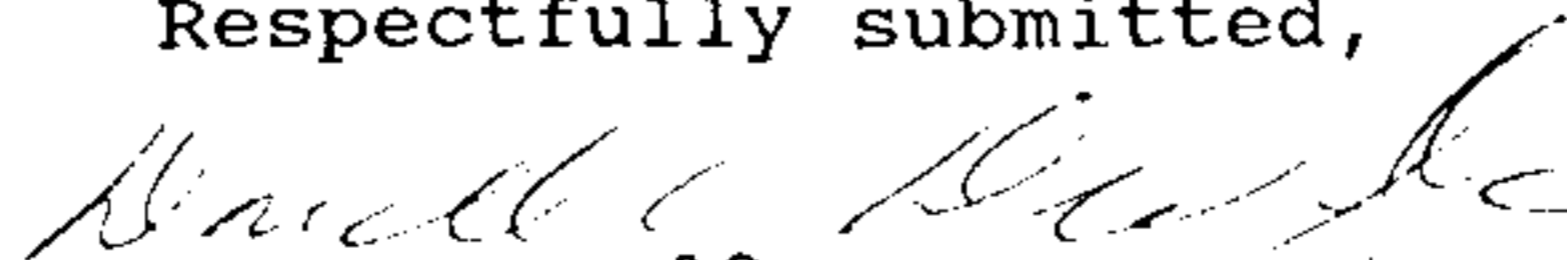
Srs of St Joseph - St Paul Center
Baton Rouge, Louisiana

I have audited the accompanying financial statements of the Srs of St Joseph - St Paul Center, (a nonprofit organization), as of and for the year ended June 30, 1996, and have issued my report thereon dated August 5, 1996. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these component-unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the U.S. General Accounting Office, and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions. Those standards and OMB Circular A-133 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 component unit 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 audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements of the Srs of St Joseph - St Paul Center, (a nonprofit organization). The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,



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

August 5, 1996

Srs of St Joseph - St Paul Center
Baton Rouge, Louisiana

I have audited the financial statements of the Srs of St Joseph - St Paul Center as of and for the year ended June 30, 1996, and have issued my report thereon dated August 5, 1996.

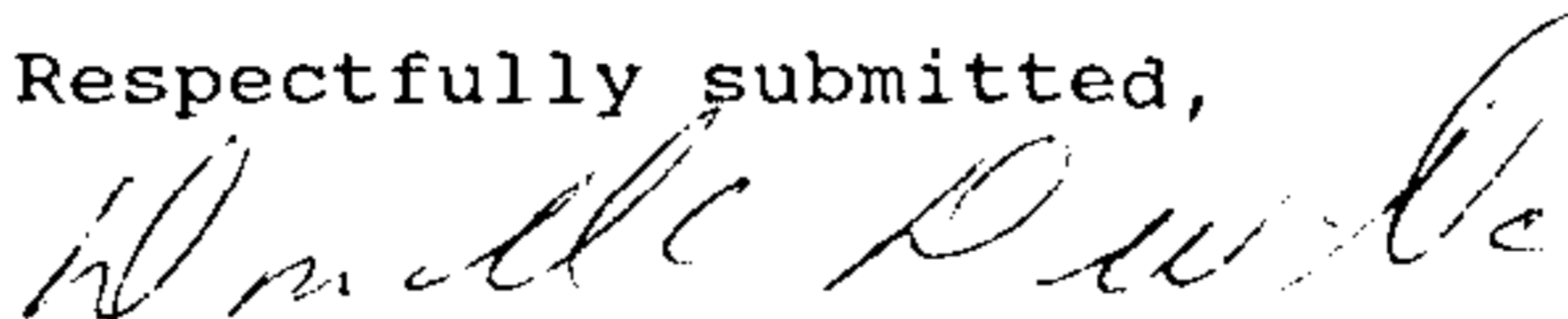
I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the U.S. General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Srs of St Joseph - St Paul Center is the responsibility of the organization's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, I performed tests of the Srs of St Joseph - St Paul Center'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 noncompliance that are to reported under Government Auditing Standards.

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

Respectfully submitted,



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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**

August 5, 1996

Srs of St Joseph - St Paul Center
Baton Rouge, Louisiana

I have audited the financial statements of the Srs of St Joseph - St Paul Center as of and for the year ended June 30, 1996, and have issued my report thereon dated October 12, 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether about whether the financial statements are free of material misstatement.

The management of the Srs of St Joseph - St Paul Center is responsible for establishing and maintaining a system of internal accounting Control. 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 the Srs of St Joseph - St Paul Center 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, we do not express such an opinion.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

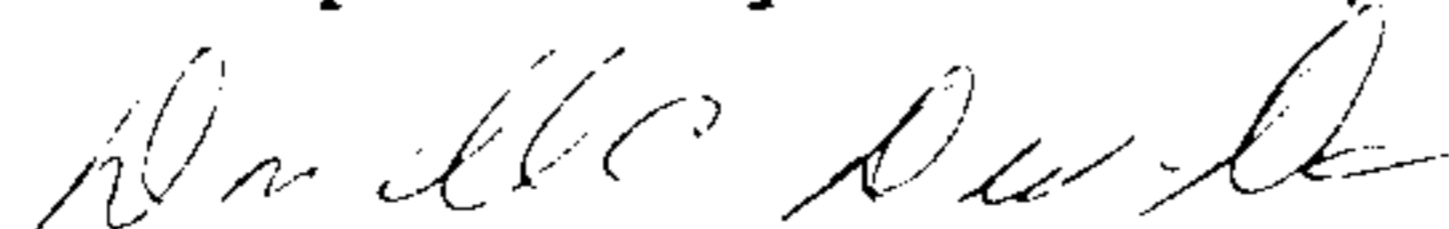
I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relative 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

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

Respectfully submitted,



Donald C. DeVille

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

August 5, 1996

Srs of St Joseph - St Paul Center
Baton Rouge, Louisiana

I have audited the financial statements of the Srs of St Joseph - St Paul Center, (a nonprofit organization), as of and for the year ended June 30, 1996, and have issued my report thereon dated August 5, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher and Other Nonprofit Institutions. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing my audits for the year ended June 30, 1996, I considered the Srs of St Joseph - St Paul Center, (a nonprofit organization)'s,, internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the Srs of St Joseph - St Paul Center, (a nonprofit organization)'s,, financial statements and on to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated August 5, 1996.

The management of the Srs of St Joseph - St Paul Center, (a nonprofit organization), is responsible for establishing and maintaining a system of internal accounting control. 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, that transactions are executed in accordance with management's authorization and are recorded properly to permit the preparation of Financial

Statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, I have classified the significant internal accounting and administrative controls used in administering federal financial assistance programs in the following categories:

INTERNAL ACCOUNTING CONTROLS

ADMINISTRATIVE CONTROLS

General Ledger
Cash Receipts
Program Receipts
Receivables
Payables
Cash Disbursements
Payroll
Equipment

Political Activity
Administrative - Requirements
Civil Rights
Special Requirements
Allowable Cost
Cash Management
Financial Reports
Types of Services

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, the Srs of St Joseph - St Paul Center, (a nonprofit organization), one major federal financial assistance programs and expended 60 percent of its total federal financial assistance under the following major federal financial assistance programs: DHH - JOBS.

I performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing or detecting material non-compliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor federal financial assistance programs. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I did not note any matters involving the internal control structure and its operations that I considered to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement could

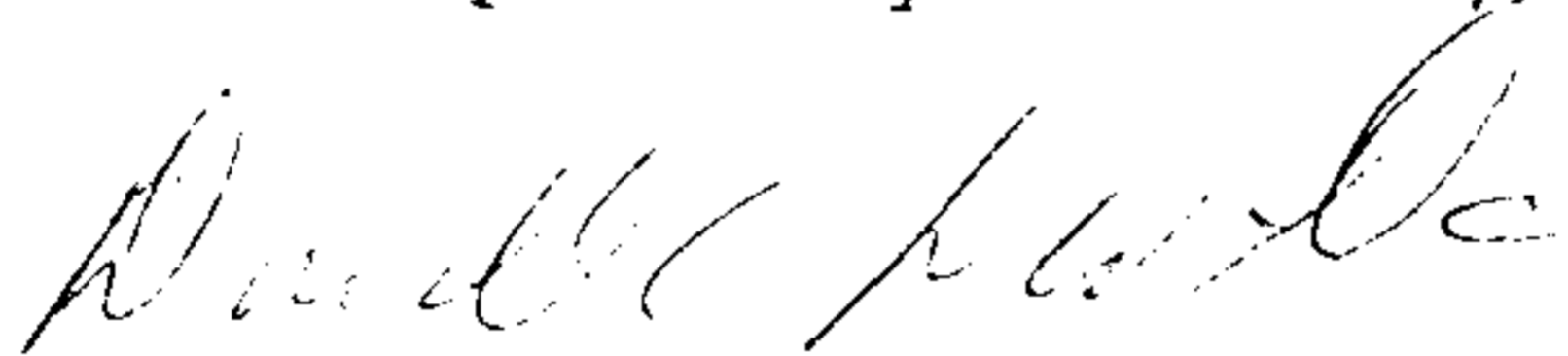
adversely affect the Srs of St Joseph - St Paul Center, (a nonprofit organization)'s,, ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relative low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited or that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, it would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Donald P. White".

Donald C. DeVille

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

August 5, 1996

Srs of St Joseph - St Paul Center
Baton Rouge, Louisiana

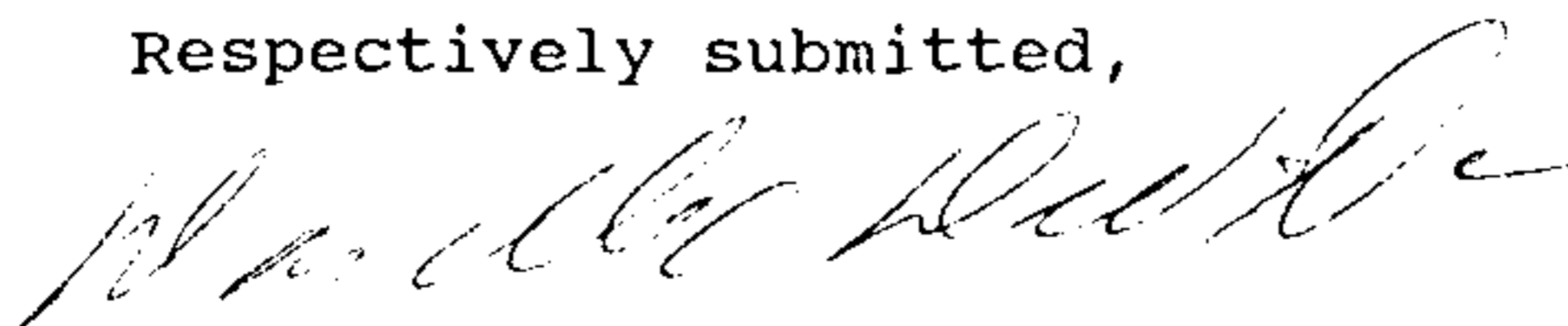
I have audited the financial statements of the Srs of St Joseph - St Paul Center, (a nonprofit organization), as of and for the year ended June 30, 1996, and have issued my report thereon dated August 5, 1996.

In connection with my audit of the June 30, 1996 financial statements of Srs of St Joseph - St Paul Center, (a nonprofit organization), and with my consideration of Srs of St Joseph - St Paul Center, (a nonprofit organization), control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-133, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and other special test that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objectives of which is the expression of an opinion on Srs of St Joseph - St Paul Center, (a nonprofit organization), compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Srs of St Joseph - St Paul Center, (a nonprofit organization), had not complied, in all material respects, with those requirements.

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

Respectively submitted,



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

August 5, 1996

Srs of St Joseph - St Paul Center
Baton Rouge, Louisiana

I have audited the financial statements of the Srs of St Joseph - St Paul Center, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 5, 1996.

I have applied procedures to test the Srs of St Joseph - St Paul Center's compliance with the following requirements applicable to its financial assistance programs, which are identified in the schedule of federal awards, for the year ended June 30, 1996: political activity, civil rights, cash management, federal financial reports, and allowable cost/cost principles.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objectives of which is the expression of an opinion on the Srs of St Joseph - St Paul Center's compliance with the requirements listed in the preceding paragraph, Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instance of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Srs of St Joseph - St Paul Center, had not complied, in all material respects, with those requirements.

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

Respectively submitted,



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

August 5, 1996

Sister Kathleen Bahlinger, Director
Sisters of St. Joseph-St. Paul Center, Inc.
Baton Rouge, Louisiana

I have audited The Sisters of St. Joseph-St. Paul Center, Inc. (a nonprofit organization) compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of the financial assistance programs, which are identified in the accompanying schedule of federal awards, for the year ended June 30, 1996. The management of the Sisters of St. Joseph-St. Paul Center, Inc. is responsible for the Organization's Compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Organizations. Those standard and OMB Circular A-133 require that I plan and performed audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, The Sisters of St. Joseph-St. Paul Center Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special test, claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

