

ACCESS TO MEANINGFUL EMPLOYMENT

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ACCESS TO MEANINGFUL EMPLOYMENT
NOTES TO FINANCIAL STATEMENTS- CONTINUED

June 30, 1996

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 1996 consists of the following:

Property and equipment	\$ 3,600
Less accumulated depreciation	(2,000)
	<u>\$ 1,600</u>

NOTE E - FUND BALANCE

The fund balance as of June 30, 1996 consists of the following:

General	\$ 24,400
Louisiana Rehabilitation Services	49,841
Division of Mental Retardation	14,188
	<u>\$ 88,429</u>

NOTE F - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE G - SUMMARY OF SOURCES OF REVENUES

The governmental grants and their inclusion in the accompanying financial statements are as follows:

GRANTS	PERIOD	AMOUNT AWARDED	REVENUE RECORDED
State of Louisiana, Office of Citizens with Developmental Disabilities	7/1/92 - 6/30/96	\$ 3,641	\$ 3,641
I-Know Parish Human Services Authority	7/1/92 - 6/30/96	47,159	\$ 44,653
			<u>\$ 20,132</u>

ACCESS TO MEANINGFUL EMPLOYMENT
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

NOTE H - BOARD OF DIRECTORS' COMPENSATION

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

NOTE I - COMMITMENT

The corporation leases its administrative offices. The rental expense, net of a subsidy of \$ 311, totaled \$8,029 for the year ended June 30, 1996.

NOTE J - ECONOMIC DEPENDENCY

The corporation received a majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the corporation will receive in the next fiscal year.

SUPPLEMENTAL INFORMATION

AGENCY DELIVERABLE EMPLOYMENT

COMBINATION OF BUREAU AND EMPLOYER
ASSIGNED TO THIS BUREAU BY BUREAU

For the year ended June 30, 1985

EMPLOYEE	GENERAL	PROPERTY AND MAINTENANCE	DEVELOPMENTAL RESEARCH	LABORATORY RESEARCH	TOTAL
Employment:	1	1	1	1	4
Pay	2,475	-	-	1,920	4,395
Salary	2,225	-	22,312	10,235	34,772
CONTRACTORS					
Research	5,425	-	24,275	84,175	113,875
Field Research	11	-	1,213	1,213	2,437
Training	14	-	1,213	1,865	4,235
Support	11	-	1,213	1,000	3,324
Technical	11	-	1,213	1,079	3,403
Construction	-	-	1,213	1,171	2,384
Transportation	240	-	1,213	1,213	2,666
Printing	-	-	1,213	1,213	2,426
Mail	-	-	1,213	1,213	2,426
Other	1,140	-	1,213	1,213	3,566
Training	440	-	1,213	1,213	2,866
Laboratory	40	-	1,213	1,213	2,666
Equipment	-	-	1,213	1,213	2,426
Over subscriptions	1,175	-	1,213	1,213	3,601

Percent of Bureau new
employment (excluding
renewals)

Field income, dependent of
pay

Field income, out of pay

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**INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL AWARDS**

Board of Directors
Access to Meaningful Employment

I have audited the financial statements of Access to Meaningful Employment (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated November 14, 1996. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these basic financial statements 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 "Audit of Institutions of Higher Education and other Non-Profit 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 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 basic financial statements of Access to Meaningful Employment taken as a whole. The accompanying Schedule of Federal Award is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that schedule 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 aspects in relation to the basic financial statements taken as a whole.

Justin J. Scanlon, CPA

New Orleans, Louisiana
November 14, 1996

ACCESS TO MEANINGFUL EMPLOYMENT

SCHEDULE OF FEDERAL AWARDS

For the year ended June 30, 1986

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT (\$)
MAJOR PROGRAM		
U.S. Department of Education		
Passed through the		
Louisiana Division of Rehabilitation		
Services:		
Supported Employment Services for		
Individuals with Severe Handicaps	84.120A	5 120,000

ACCESS TO MEANINGFUL EMPLOYMENT

STATUS OF PRIOR YEAR ALERT FINDINGS

June 30, 1994

The prior audit report of the corporation included a finding and recommendation. The current status of the prior audit report finding is as follows:

Finding	Resolved	Unresolved	AOIR Finding No.
1. Segregation of duties		X	1.
2. Minutes	X		

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

Board of Directors
Accura to Meaningful Employment

I have audited the financial statements of Accura to Meaningful Employment (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated November 14, 1996.

I conducted my audit in accordance with generally accepted auditing standards and Department Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Accura to Meaningful Employment is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and risks/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 recorded in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Inherent in internal control structures is any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of my 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 Accura to Meaningful Employment for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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 judgment, could adversely affect the corporation's ability to record, process, summarize, and report financial data in a manner that is consistent with the accounting of management in the financial statements.

ACCESS TO MEANINGFUL EMPLOYMENT

NOTES TO FINANCIAL STATEMENTS

June 30, 1996

NOTE A - ORGANIZATION

Access to Meaningful Employment is a non-profit corporation organized exclusively for the purpose of providing supported employment services for individuals with severe disabilities as an alternative public service agency devoted exclusively to providing competitive employment through supported employment technology.

The corporation is supported primarily through fees and grants from governmental entities. For the year ended June 30, 1996, approximately 97% of the corporation's support came from fees and grants from governmental entities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Preparation of Financial Statements

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles. They are presented on the accrual basis of accounting.

2. Method of Accounting

The records of Access to Meaningful Employment are maintained in accordance with the principles of fund accounting. Accordingly, monies for various programs are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

3. Revenue Recognition

For financial reporting the corporation recognizes unexercised fund revenues as received. Revenues on exercised funds is recognized as it is earned in accordance with approved contracts.

4. Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the costs of depreciable assets to operations over their estimated service lives, on a straight-line basis. Depreciated property and equipment is stated at their estimated fair market value on the date closed.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

Access to Meaningful Employment

I have audited the accompanying balance sheet of Access to Meaningful Employment (a nonprofit corporation) as of June 30, 1996, and the related statement of revenue and expenses and changes in fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the corporation'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, and the provisions of Office of Management and Budget Circular A-133, "Standards for Institutions of Higher Education and Other Nonprofit Institutions." These 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 provides a reasonable basis for my opinion.

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the financial position of Access to Meaningful Employment as of June 30, 1996, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information, listed as supplemental information in the table of contents is presented for the purpose 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.

In accordance with Government Auditing Standards, I have also issued a report dated November 14, 1996, on my consideration of Access to Meaningful Employment's internal control structure and a report dated November 14, 1996 on its compliance with laws and regulations.

Justin J. Scanlan, C.P.A.

New Orleans, Louisiana
November 14, 1996

ACCESS TO MEANINGFUL EMPLOYMENT

STATEMENT OF CASH FLOWS

For the year ended June 30, 1996

Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities:		
Excess of revenues over expenses	\$	34,443
Adjustments to reconcile net income to net cash paid by operating activities:		
Changes in assets and liabilities:		
Increase in grant receivable	(2,238)	
Increase in other receivables	(30,694)	
Increase in accounts payable and accrued liabilities	583	(21,803)
Net cash provided by operating activities		31,192
Net increase in cash and cash equivalents		31,192
Cash and cash equivalents, beginning of year		21,609
Cash and cash equivalents, end of year	\$	24,023

The accompanying notes are an integral part of this financial statement.

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ACCESS TO MEANINGFUL EMPLOYMENT

COMPREHENSIVE FINANCIAL STATEMENTS

June 26, 1988

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. It is open to public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

RECEIVED

Release Date: FEB 5 1989 J

JAN 03 1989



ACCESS TO MEANINGFUL EMPLOYMENT
STATEMENT OF REVENUE AND EXPENSES
AND CHANGES IN FUND BALANCE

For the year ended June 30, 1995

REVENUES	
Grant appropriations (Note-D)	\$ 32,012
Fees	345,691
Other	2,230
	<u>380,933</u>
	241,824
EXPENDITURES	
Personnel	122,670
Fringe benefits	20,444
Travel	4,703
Supplies	3,549
Insurance	2,681
Contractual	4,798
Telephone	1,857
Postage	472
Rent	6,129
Other	1,508
Training	2,998
Utilities	871
Equipment expense	3,989
Devs. and subscriptions	362
	<u>186,582</u>
	74,442
Excess of revenues over expenses	167,382
Fund balance, beginning of year	68,882
Fund balance, end of year	\$ 136,119

The accompanying notes are an integral part of this financial statement.

ACCESS TO REINTEGRATE EMPLOYMENT

BALANCE SHEET

June 30, 1998

ASSETS

Cash		\$	54,071
Receivables			
Claims (Note C)	\$	9,827	
Other		48,240	57,317
Property and equipment - at cost (Notes B1 and D)			—
		\$	<u>111,808</u>

LIABILITIES AND FUND BALANCE

Accounts payable and unearned benefits		\$	6,476
Commitments (Note E)			<u>30,330</u>
Fund balance (Note F)		\$	<u>111,808</u>

The accompanying notes are an integral part of this financial statement.



ACCESS TO MEANINGFUL EMPLOYMENT, INC.

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MANAGEMENT'S RESPONSE TO AUDIT

1. SEGREGATION OF DUTIES

At this time, Access to Meaningful Employment, Inc. is too small to change its structure of duties. The Board of Directors will continue its involvement in the financial affairs of the organization through monthly review of the financial reports.

Susan G. Kilian
Executive Director

Justin J. Scanlan, C.P.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL AWARD PROGRAM**

**Board of Directors
Access to Meaningful Employment**

I have audited the financial statements of Access to Meaningful Employment (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated November 14, 1996.

I have also audited the compliance of Access to Meaningful Employment with the requirements governing types of services allowed or disallowed, eligibility, reporting, and claims for reimbursements that are applicable to each of its major federal award programs, which are identified in the accompanying Schedule of Federal Awards, for the year ended June 30, 1996. The management of Access to Meaningful Employment is responsible for the corporation's compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I evaluated my audit of compliance with these requirements 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-110, "Audit of Institutions of Higher Education and Other Management Institutions." Those standards and OMB Circular A-110 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to in the second paragraph occurred. An audit includes examining, on a test basis, evidence about the corporation's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, Access to Meaningful Employment complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal award programs for the year ended June 30, 1996.

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

Justin J. Scanlan, C.P.A.

New Orleans, Louisiana
November 14, 1996

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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH THE GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL AWARD PROGRAM**

Board of Directors
Access to Meaningful Employment

I have audited the financial statements of Access to Meaningful Employment (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated November 14, 1996.

I have applied procedures to test the compliance of Access to Meaningful Employment with the following requirements applicable to its federal award program, which are identified in the accompanying Schedule of Federal Award, for the year ended June 30, 1996.

The general requirements are as follows:

- Political activity
- Civil rights
- Cash management
- A Reasonable Cost/Cost Principles
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement of Audit of Educational Institutions and Other Nonprofit Institutions". My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Access to Meaningful Employment's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items listed, the results of my procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not listed, nothing came to my attention that caused me to believe that Access to Meaningful Employment had not complied, in all material respects, with those requirements.

This report is intended solely for the use of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

New Orleans, Louisiana
November 14, 1996

Justin J. Scanlon, C.P.A.

Justin J. Scribner, CPA

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

Board of Directors
Access to Meaningful Employment

I have audited the financial statements of Access to Meaningful Employment (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated November 14, 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 the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Access to Meaningful Employment is the responsibility of Access to Meaningful Employment's Management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Access to Meaningful Employment'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 required to be reported under Government Auditing Standards.

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

Justin J. Scribner, CPA

New Orleans, Louisiana
November 14, 1996

The reportable condition noted is as follows:

1. Segregation of Duties

Finding:

Due to the size of the administrative staff, the responsibility is too small to effect a meaningful segregation of duties. All authorization, approval and payment of cash disbursements are performed by the Executive Director.

Recommendation:

I recommend the Board of Directors continue its significant involvement in the financial affairs of the corporation through review of monthly and quarterly financial reports.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal award 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 used in administering federal awards 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. However, I believe none of the reportable conditions described above is a material weakness.

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

Justin J. Shanken, CPA

New Orleans, Louisiana
November 14, 1996

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal award programs in the following categories:

- Cash
- Property and equipment
- Payroll
- Revenue and receivables
- Fund balances
- Governmental financial assistance programs

GENERAL REQUIREMENTS

- Political activity
- Civil rights
- Cash management
- Allowable Costs/Cost principles
- Administrative requirements

SPECIFIC REQUIREMENTS

- Type of services offered or not offered
- Eligibility
- Cost allocation
- Financial reports and claims for reimbursements

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, Access to Meaningful Employment expended 100% of its total federal award under major federal award programs.

I performed tests of controls, as required by OIG's Circular A-110, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material non-compliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to the corporation's major federal award programs, which is identified in the accompanying Schedule of Federal Award. 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 would caution 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 judgment, could adversely affect the corporation's ability to administer federal award programs in accordance with applicable laws and regulations.

The reportable condition noted is as follows:

5. **Separation of Duties**

Finding

Due to the size of the administrative staff, the corporation is too small to effect a meaningful segregation of duties. All authorization, approval and payment of cash disbursements are performed by the Executive Director.

Recommendation

I recommend the Board of Directors continue its significant involvement in the financial affairs of the corporation through review of monthly and quarterly financial reports.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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. However, if the fact state of the reportable condition described above is a material weakness.

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

Justin J. Slaughter, CPA

New Orleans, Louisiana
November 14, 1996

ACCESS TO MEANINGFUL EMPLOYMENT
NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1996

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Estimates

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. Accordingly, actual results could differ from these estimates.

4. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

5. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

6. Fair Values of Financial Investments

Cash and cash equivalents carrying amounts reported in the balance sheet approximate fair values because of the short maturities of these investments.

NOTE C - GRANT RECEIVABLE

Grant receivable consists of reimbursements for expenses incurred under government contracts. The grant receivable consists of the following as of June 30, 1996:

Illinois Public Health Services Authority	\$ 7,870
State of Louisiana Division of Mental Retardation	1,134
	\$ 9,004

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL AWARDS**

**Board of Directors
Access to Meaningful Employment**

I have audited the financial statements of Access to Meaningful Employment (a nonprofit corporation) as of and for the year ended June 30, 1996, and have issued my report thereon dated November 14, 1996. I have also audited the compliance of Access to Meaningful Employment with requirements applicable to major federal award programs and have issued my report thereon dated November 14, 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, "Standards of Institutions of Higher Education and Other Nonprofit Institutions". These 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 misstatements and about whether Access to Meaningful Employment complied with laws and regulations, noncompliance with which would be material to a major federal award program.

In planning and performing my audit for the year ended June 30, 1996, I considered the internal control structure of Access to Meaningful Employment in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements of Access to Meaningful Employment and on its compliance with requirements applicable to major programs and 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 award programs. I have addressed internal control structure policies and procedures relevant to my audit of the financial statements in a separate report dated November 14, 1996.

The management of Access to Meaningful Employment is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, 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, and that federal award 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, judgment in my 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.