

John H. Schweingruber

Respected Public Accountant

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October 1, 1997

Board of Directors
St. John Association for Retarded Citizens
101 Harmon Road
LaPlace, La 70068

To the Board of Directors:

Management of St. John Association for Retarded Citizens does an excellent job of maintaining the organization's accounting records and operating the organization efficiently.

In last year's management letter, I mentioned the following. According to the Department of Health and Hospital, clients that perform service for the organization are considered employees of that organization. FICA W-2s and other payroll-related forms should be filed. There should be FICA and income tax withholdings on these wages.

I am aware that the board has acted on the above recommendation. The board has decided not to treat its clients as employees involving wages subject to FICA. The board feels the law is vague enough to support their decision. In my opinion, the clients are employees.

If you have any questions, please call me at (504) 452-2877.

Sincerely,

John H. Schweingruber
John H. Schweingruber
Public Accountant
Louisiana

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Nelson H. Schwanzgaber
Certified Public Accountant

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

St. John Association For Retarded Citizens
Lafayette, Louisiana

I have audited the financial statements of St. John Association For Retarded Citizens (a nonprofit organization) as of and for the year ended June 30, 1987, and have issued my report thereon dated September 28, 1987.

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 the Guidelines for Allowable Cost in Adult Habilitation Services contracted with the DHE/HS. These 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 St. John Association For Retarded Citizens is the responsibility of St. John Association For Retarded Citizens' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of St. John Association For Retarded Citizens' compliance with certain provisions of laws, regulation, 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 for the information of the Board of Directors, Management, the Legislative Auditor, and the Louisiana State Planning Council on Developmental Disabilities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Nelson H. Schwanzgaber

September 30, 1987

EXHIBIT B

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My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 errors or irregularities in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor, and the Louisiana State Planning Council on Developmental Disabilities. However, this report is a matter of public record and its distribution is not limited.



Nolan H. Schreyer

September 30, 1997

EXHIBIT A

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

St. John Association For Retarded Citizens
Lafayette, Louisiana

I have audited the financial statements of St. John Association For Retarded Citizens (a nonprofit organization) as of and for the year ended June 30, 1937, and have issued my report thereon dated September 30, 1937.

I conducted my audit in accordance with generally accepted auditing standards and Government 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 St. John Association For Retarded Citizens 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 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. 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 St. John Association For Retarded Citizens, for the year ended June 30, 1937, 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.

Note 11-- Proposition I

Proposition I was passed by the citizens of St. John the Baptist Parish on April 3, 1993. Proposition I allows the parish to incur debt and issue bonds to the amount of Five Hundred Thousand Dollars (\$500,000) to run fifteen (15) years from the date thereof, with interest at rate not exceeding nine per centum (9%) per annum, for the purpose of acquiring, constructing, improving and reconstructing public buildings to house a work training center for mentally retarded and developmentally disabled persons, title to which shall be in the public. The bonds will be general obligations of the Parish and payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana as 1974, and statutory authority supplemental thereto. St. John Association for Retarded Citizens occupied the public building in January, 1985.

Note 12-- Proposition II

Proposition II was passed by the citizens of St. John the Baptist Parish on April 3, 1993. Proposition II allows St. John the Baptist Parish to levy a one-half (1/2) mill tax on all the property subject to taxation with said Parish for a period of ten (10) years beginning with the year 1993 and ending with year 2002, for the purpose of maintaining and operating public buildings used to house mentally retarded persons (including payment of salaries and cost of conducting training programs for the mentally retarded and developmentally disabled citizens).

Note 13-- Net Asset-Bond Description

The organization has qualified for a grant through the department of Transportation and Development to acquire a vehicle. The total cost of the van is \$24,744. The organization's local match is \$4,000. The board approved and designated \$4,000 to be allocated to the local match. Management made a deposit of the local match with the Department of Transportation and Development. The organization is expecting to receive the van by December 31, 1997.

contract. The remaining contract balance, (\$28,000), will be paid based on the type of service provided to each individual client and the complexity of the individual's needs.

The organization also entered into a contract with Petr-Care, Inc. and Ken-Care, Inc. (residential providers) to provide day training at \$36.00 and \$28.00 per client day respectively. The training provided is explained in the preceding paragraph.

The organization also receives revenues for providing training to Medicaid clients.

Note 8-- Contract Receivable

Contract receivable consists of services provided but not yet paid as of June 30, 1987. Contract receivable is made up of the following:

Contract Receivable

Department of Health and Hospitals	\$ 5,562
Department of Health and Hospitals-Medicaid	2,871
Petr-Care, Inc.	7,429
Ken-Care, Inc.	2,160

	\$28,030

Note 9-- Income Tax Status

St. John Association for Retarded Citizens is exempt from Federal income tax under Section 501 (c)(2) of the Internal Revenue Code. In addition, the organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 507(a)(2).

Note 10-- Economic Dependency

The organization depends on the Department of Health and Hospitals for a major portion of its operation.

Note 11-- Financial Instruments with off-balance-sheet risk

St. John Association for Retarded Citizens extends a substantial amount of credit to several nonprofit and state agencies such as Department of Health and Hospitals, Petr-Care, Inc., and Ken-Care, Inc.

The cost, fair values, and par amount of investment securities (Treasury bills) held to maturity at June 30, 1981, by expected maturity are shown below.

Securities Held
To Maturity

	Cost	Fair Value	Par Amount
Due in one year or less	\$29,300	\$29,768	\$30,000
Due after one year but less than five years	-0-	-0-	-0-
Due after five years but less than ten years	-0-	-0-	-0-
Due after ten years	-0-	-0-	-0-
	\$29,300	\$29,768	\$30,000

Note 4--Contributed Services

The organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 118 have not been satisfied.

Note 5--Contributed Facilities

The organization occupies a government owned building located at 101 Nansen Gader in agreement with the St. John the Baptist Parish Council. No rent is paid by the organization. A local real estate agent has estimated the approximate fair value of the annual rental to be \$42,000.

Note 6--Contributed Assets

On August 21, 1981, the organization purchased land and received a donation from the seller for a portion of the purchase price. The estimated value of the donation is \$9,000.

Note 7--Contract Revenues

The organization entered into a contract with the Office for Citizens with Developmental Disabilities, Department of Health and Hospitals to provide training to the mentally and developmentally handicapped citizens over 22 years of age in St. John the Baptist Parish. The areas of training include self-help, social skills, pre-vocational, independent living, media work, cross, and behavioral skills. Under the agreement, the Department of Health and Hospitals will pay \$4,800 in equal amounts per month over the life of the

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends 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.

Contracts receivable - Management believes that all contracts receivable as of June 30, 1997, are fully collectible; therefore, no allowance for doubtful accounts are recorded. Contr-Care, Inc. is in arrears in the amount of \$3,769, which is less than the amount in arrears last year. The assets in arrears are over 120 days past due.

Cash Flows - For purposes of the statement of cash flows, the organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Functional Expenses - Expenses are charged directly to program or management in general categories based on specific identification. Indirect expenses have been allocated based on salary expenditures.

Note 2--Cash and Cash Equivalents

As June 30, 1997, the organization had cash and cash equivalents totaling \$163,075. These deposits are stated at cost, which approximates market. These deposits are insured from risk by federal depository insurance.

Note 3-- Investments

At June 30, 1997, the investment securities portfolio was comprised of securities classified as held to maturity, in conjunction with PRSS 31a, resulting in investment securities held to maturity being carried at cost.

The cost, fair values, and par amount of investment securities held to maturity at June 30, 1997 were:

	Cost	Fair Value	Par Amount
	-----	-----	-----
Treasury Bills	\$29,769	\$29,769	\$29,769

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS
NOTES TO FINANCIAL STATEMENTS
June 30, 1981

Note 1--Summary of Significant Accounting Policies

The significant accounting policies followed are described to enhance the understandability of the financial statements to the reader. The financial statements of St. John Association For Retarded Citizens (a nonprofit organization) have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The corporation has no capital stock.

Nature of Activities - St. John Association For Retarded Citizens (a nonprofit organization) trains the mentally and physically handicapped citizens over 18 years of age of the parish. The areas of training are geared toward helping the individuals adjust to society. The areas of training include self-help, social skills, pre-vocational, independent living, mobile work crews, personal hygiene, daily living skills - making change, telling time, safety - recognition of danger signs, physical training and maximization of individual potential. The organization also provides free transportation for all activities including daily instruction classes.

Property and Equipment - Property and equipment purchased are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Financial Statement Presentation - The financial statements are prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations, which requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

GA. ANNUAL REPORT ON GOVERNMENT FINANCE
TABLE 10 - GAS FUND
For the Year Ended June 30, 1997

GAS FUND FROM OPERATING ACTIVITIES	
Increase in net assets	\$20,174
Adjustments to arrive at increase in net assets to net cash provided by operating activities	
Depreciation	13,408
Change in net of fund assets	(7,000)
Increase (decrease) in operating assets	
Retainable	4,384
Increase (Decrease) in operating liabilities	
Accounts payable	(610)
Accrued liabilities	120

NET CASH PROVIDED BY OR IN OPERATING ACTIVITIES	\$28,282
GAS FUND FROM CAPITAL ACTIVITIES	
Acquisition of property and equipment	(41,420)
Proceeds from sale of investments	58,875
Repayment of long-term	113,237
deposits for deposits	(8,220)
Proceeds from deposits	200

NET CASH PROVIDED BY OR IN INVESTING ACTIVITIES	\$22,652

NET INCREASE (DECREASE) IN GAS	(18,594)
GAS AT END OF YEAR	188,500

GAS AT END OF YEAR	\$169,906

SUPPLEMENTAL DISCLOSURES	
Receivables Interest and financing receivables	
Gifts of fixed assets	\$0,000

See accompanying notes to this report.
 The accompanying notes are an integral part of these financial statements.
 200007-5

**W. J. COLE ASSOCIATES FOR OUTSIDE CONTRACTORS
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 1997**

	REVENUE DOLLARS	EXPENSES DOLLARS	
	Actual 1997 Financial Statements	Revised 1997 Actual	Total
Management fees		40,000	40,000
Bank charges		7	7
Compensation and related expenses			
Compensation			
SAL	1,448,705	1,277,000	1,448,705
Fringe		26,188	26,188
Employer benefits		2,087	2,087
Payroll taxes	71,428	2,164	73,592
Performance and traveling	500		500
Report of fee	13,000	100	13,100
Rent		1,800	1,800
Insurance			
Property	784		784
Automobile	8,200		8,200
Workers' compensation	2,700		2,700
Liability	2,900		2,900
Supplies			
Office	71,000		71,000
Travel	4,500		4,500
Auto	42,000		42,000
Professional Services	4,900		4,900
Supplies			
Printing	4,000	100	4,100
Office	1,000		1,000
Other		2,000	2,000
Telephone	1,000		1,000
Transportation	22,700		22,700
Other	1,000		1,000
Total expenses	1,664,440	1,307,280	1,664,440

SEE REVENUE AND FEES REPORT.

The accompanying notes are an integral part of these financial statements.
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STATE OF CALIFORNIA - DEPARTMENT OF SOCIAL SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1997

EXPENSES (100) NET RESULTS
REVENUE AND SERVICE

Contract Revenue-Department of Health and Hospitals (1000) 71	\$57,887
Contract Revenue-Department of Corrections 71	54,080
Contract Revenue-Res-Less State 70	18,150
Contract Revenue-Res-Less State 70	28,970
Net Receipts for Grants 100	77,004
Grants-Contracts	82,800
Interest Paid to Support	1,287
Costs Incurred for Grants (1000) 71	10,000
Costs Incurred for Grants (1000) 71	4,000
Other	991
Other	1,444
Interest earnings	4,275

	\$67,887

EXPENSES

Program Services	
Adult Residential Program	228,400
Supporting Services	
Management and General	65,000

	\$293,400

INCREASE (DECREASE) IN NET ASSETS

70,487

NET ASSETS AT BEGINNING OF YEAR

247,100

(11,011)

NET ASSETS AT END OF YEAR

336,576

(11,011)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

The accompanying notes are an integral part of these financial statements.

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11. JOHN WOODRIDGE FURNITURE COMPANY
 STATEMENT OF FINANCIAL POSITION
 June 30, 1967

ASSETS

CURRENT ASSETS	
Bank and Cash Equivalents	443,475
Investments (Note 1)	27,768
Trade (Receivable) Payable (Note 2)	22,818
Accounts Receivable	2,587
Inventory	67
Prepaid Expenses	268

TOTAL CURRENT ASSETS	507,963

PROPERTY & EQUIPMENT (Note 1)	
Land	70,472
Land Improvements	27,608
Buildings	7,495
Furniture (Equipment)	66,789
Other Personal Property	11,283
Accumulated Depreciation	(88,685)

TOTAL PROPERTY & EQUIPMENT	124,962

OTHER ASSETS	
Debtors' Share Tax	8,876

TOTAL OTHER ASSETS	8,876

TOTAL ASSETS	641,697

LIABILITIES & NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	15,716
Accounts Receivable	7,264

TOTAL CURRENT LIABILITIES	22,980

NET ASSETS	
Retained Earnings	
Initial amount	208,248
Shareholders' Share (1)	(4,084)

TOTAL NET ASSETS	204,164

TOTAL LIABILITIES & NET ASSETS	641,697

See accompanying audit report.
 See accompanying notes to be integral part of these financial statements.
 00000-1

Nathan H. Schwengeler
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. John Association For Retarded Citizens
Lafayette, Louisiana

I have audited the accompanying statement of financial position of St. John Association For Retarded Citizens (a nonprofit corporation) as of June 30, 1987, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization'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. 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, the financial statements referred to above present fairly, in all material respects, the financial position of St. John Association For Retarded Citizens as of June 30, 1987, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing standards, I have also issued a report dated September 30, 1987 on my consideration of St. John Association For Retarded Citizens's internal control structure and a report dated September 30, 1987 on its compliance with laws and regulations.


Nathan H. Schwengeler

September 30, 1987

021097-1

2025: Producers of this law, this report is a public document. A copy of the report is being submitted to the Auditor General, and, orally and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, in the office of the parish clerk of court.

Release Date 10/1/87