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ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

**REPORT ON AUDIT
OF FINANCIAL STATEMENTS**

FOR FISCAL YEAR ENDED JUNE 30, 1999

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.

DEC 22 1999

Release Date _____

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

REPORT ON AUDIT
OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

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Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA*
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July 26, 1999

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

We have audited the financial statements of St. John Association For Retarded Citizens for the year ended June 30, 1999, and have issued our report thereon dated July 26, 1999. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated March 7, 1999, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the St. John Association For Retarded Citizens. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the St. John Association For Retarded Citizen's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the St. John Association For Retarded Citizens are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 1998. We noted no transactions entered into by the St. John Association For Retarded Citizens during the

year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus, other than the correction of an error to the previous year financial statements.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the allowance for doubtful accounts is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the proprietary fund-type financial statements taken as a whole.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the St. John Association For Retarded Citizens that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and accounts payable. The corrections were not considered material in relation to the individual fund-type financial statements of the St. John Association For Retarded Citizens taken as a whole. We also proposed several audit adjustments to the beginning net assets which were material in relation to the financial statements. The Association has agreed to the proposed audit adjustments and will record the adjustments in the accounting records of the St. John Association For Retarded Citizens for the year ended June 30, 1999.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 50, "Reports on the Application of Accounting Principles."

St. John Association For Retarded Citizens
July 26, 1999
Page Three

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

This report is for the information of management, the Louisiana Legislative Auditor and the Census Bureau. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board of Directors of the St. John Association For Retarded Citizens, is a matter of public record.

Respectfully submitted,


DURNIN & JAMES, CPA'S

DEJ/tlt

Durnin & James

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July 26, 1999

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of St. John Association For Retarded Citizens (a nonprofit corporation) as of June 30, 1999 and 1998, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. John Association For Retarded Citizens as of June 30, 1999 and 1998, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated July 26, 1999 on our consideration of St. John Association For Retarded Citizen's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Respectfully submitted,


DURNIN & JAMES, CPA'S

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

EXHIBIT A

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1999 and 1998

ASSETS

	<u>1999</u>	<u>1998</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 197,144	\$ 177,461
Contract Receivable	13,598	17,036
Accounts Receivable	-	1,665
Other Receivables	-	5,717
Ad Valorem Tax Receivable	<u>6,031</u>	<u>3,090</u>
TOTAL CURRENT ASSETS	\$ 216,773	\$ 204,969
PROPERTY & EQUIPMENT:		
Land	\$ 50,412	\$ 50,412
Land Improvements	27,661	27,661
Building	5,695	5,695
Fixed Equipment	46,189	46,189
Major Moveable Equipment	14,084	11,083
Vehicles	120,751	112,366
Accumulated Depreciation	(86,757)	(97,250)
Construction in Progress	<u>42,425</u>	<u>-</u>
TOTAL PROPERTY & EQUIPMENT	220,460	156,156
OTHER ASSETS:		
Deposit	<u>-</u>	<u>10,000</u>
TOTAL OTHER ASSETS	<u>-</u>	<u>10,000</u>
TOTAL ASSETS	<u>\$ 437,233</u>	<u>\$ 371,125</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts Payable	\$ 3,325	\$ 2,839
Accrued Expenses	<u>2,767</u>	<u>2,382</u>
TOTAL CURRENT LIABILITIES	\$ 6,092	\$ 5,221
NET ASSETS:		
Unrestricted		
Undesignated	431,141	355,904
Board Designated	<u>-</u>	<u>10,000</u>
TOTAL NET ASSETS	<u>431,141</u>	<u>365,904</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 437,233</u>	<u>\$ 371,125</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

EXHIBIT B

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
UNRESTRICTED NET ASSETS		
REVENUES AND SUPPORT:		
Contract Revenues-Department of Health and Hospitals	\$ 97,483	\$ 82,942
Contract Revenues-DHH-Medicaid	38,743	38,908
Contract Revenues-Betr-Care	39,930	40,468
Contract Revenues-Res-Care	38,808	38,948
Ad Valorem Tax	91,265	72,927
Client Contracts	30,831	33,016
Indirect Public Support	6,797	6,651
Contributed Facilities	42,000	42,000
Grant-DOTD	36,856	18,727
Dues	495	1,820
Other	420	732
Interest Earnings	<u>1,854</u>	<u>1,769</u>
TOTAL UNRESTRICTED NET ASSETS	\$ 425,482	\$ 378,908
EXPENSES:		
Program Services		
Adult Habilitation Program	\$ 307,428	\$ 270,873
Supporting Services		
Management and General	<u>52,817</u>	<u>65,889</u>
TOTAL EXPENSES	\$ <u>360,245</u>	\$ <u>336,762</u>
INCREASE (DECREASE) IN NET ASSETS	\$ <u>65,237</u>	\$ <u>42,146</u>
NET ASSETS AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 365,904	\$ 367,375
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(43,617)</u>
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	<u>365,904</u>	<u>323,758</u>
NET ASSETS AT END OF YEAR	\$ <u>431,141</u>	\$ <u>365,904</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

EXHIBIT C

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 1999 and 1998

	1999		1998	
	PROGRAM SERVICES	SUPPORTING SERVICES	PROGRAM SERVICES	SUPPORTING SERVICES
	Adult Habilitation Program	Management and General	Adult Habilitation Program	Management and General
				TOTALS
Compensation and Related Expenses				
Compensation:				
Staff	\$ 138,818	\$ 37,533	\$ 140,799	\$ 170,391
Clients	25,733	-	-	25,894
Employee Benefits	2,620	3,860	-	3,860
Payroll taxes	10,871	2,912	10,686	12,994
Conference and Training	-	869	823	823
Depreciation	23,110	2,163	16,455	16,592
Dues	-	-	-	2,133
Insurance:				
Officers/Directors	700	-	-	700
Janitorial Bond	326	-	-	163
Property	880	-	739	739
Vehicles	5,706	-	6,293	6,293
Worker's Compensation	1,763	-	2,350	2,350
Liability	3,312	-	2,949	2,949
Occupancy:				
Utilities	9,539	-	8,707	8,707
Maintenance	4,422	-	5,319	5,319
Rent	42,000	-	42,000	42,000
Professional Services	7,250	-	7,049	7,049
Supplies:				
Operating	4,185	-	4,158	4,158
Office	-	3,858	2,536	2,536
Other	-	-	-	1,102
Telephone	1,825	-	1,709	1,709
Transportation	22,073	-	16,924	16,924
Other	2,295	1,622	1,377	1,377
TOTAL EXPENSES	\$ 307,428	\$ 52,817	\$ 270,873	\$ 336,762

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

EXHIBIT D

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase In Net Assets	\$ 65,237	\$ 42,146
Adjustments To Reconcile Increase In Net assets To Net Cash Provided By Operating Activities:		
Depreciation	23,110	16,592
Loss on Sale of Equipment	582	-
(Increase) Decrease In Operating Assets Receivables	7,879	12,164
Increase (Decrease) In Operating Liabilities Accounts Payable	486	(317)
Accrued Liabilities	<u>385</u>	<u>438</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 97,679	 71,023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Property And Equipment	(91,496)	(26,755)
Payment For Deposits	-	(10,000)
Proceeds From Deposits	10,000	8,026
Sale of Equipment	<u>3,500</u>	<u>-</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>(77,996)</u>	 <u>(28,729)</u>
 NET INCREASE (DECREASE) IN CASH	 <u>19,683</u>	 <u>42,294</u>
 CASH AT BEGINNING OF YEAR, AS ORIGINALLY STATED	 177,461	 163,075
 PRIOR PERIOD ADJUSTMENT	 <u>-</u>	 <u>(27,908)</u>
 CASH AT BEGINNING OF YEAR, AS RESTATED	 <u>177,461</u>	 <u>135,167</u>
 CASH AT END OF YEAR	 <u>\$ 197,144</u>	 <u>\$ 177,461</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness 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 23 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 presented 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.

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999

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, 1999, are fully collectible; therefore, no allowance for doubtful accounts is recorded.

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

At June 30, 1999, the Organization had cash and cash equivalents totaling \$227,953. These deposits are stated at cost, which approximates market. Of these deposits, \$206,700 are secured from risk by federal depository insurance. The remaining \$21,253 is unsecured.

NOTE 3--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. 116 have not been satisfied.

NOTE 4--CONTRIBUTED FACILITIES

The Organization occupies a government owned building located at 101 Bamboo under an 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 5--CONTRACT REVENUES

The Organization entered into a contract with the Office for Citizens with Development Disabilities, Department of Health and Hospitals to provide training to the mentally and developmentally handicapped citizens over 23 years of age in St. John the Baptist Parish. The areas of training include self-help, social skills, pre-vocations, independent living, mobile work crews, and behavioral skills. The contract was for the period July 1, 1998 to June 30, 1999, and in a maximum contract amount of \$97,483. Under the contract, the Department of Health and Hospitals agreed to pay the St. John Association For Retarded Citizens \$5,702.75 per month for twelve months, for a total of \$68,433. The remaining \$29,050 was paid based on the type of service provided to each individual client and the complexity of the individual's needs.

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999

The Organization also entered into a contract with Betr-Care, Inc. and Res-care, Inc. (residential providers) to provide day training at \$30.00 and \$28.00 per client day respectfully. The contract with Betr-Care, Inc. was for the period July 1, 1998 to June 30, 1999. The contract with Res-Care, Inc. was effective January 1, 1993, and will last indefinitely, or until either party decides to terminate by giving written notice of thirty (30) calendar days. The training provided is explained in the preceding paragraph.

The Organization also receives revenues for providing training to medicaid clients.

NOTE 6--CONTRACT RECEIVABLE

Contract receivable consists of services provided but not yet paid as of June 30, 1999. Contract receivable is made up of the following:

Contract Receivable:

Department of Health and Hospitals	\$ 2,580
Department of Health and Hospitals-Medicaid	3,716
Betr-Care, Inc.	3,690
Res-Care, Inc.	<u>3,612</u>
	<u>\$13,598</u>

NOTE 7--INCOME TAX STATUS

St. John Association For Retarded Citizens is exempt from federal income tax under Section 501 (C) (3) 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 509 (a) (2).

NOTE 8--ECONOMIC DEPENDENCY

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

NOTE 9--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 a rate not exceeding nine per centum(9%) per annum, for the purpose of acquiring, constructing, improving and renovating 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 of 1974, and statutory authority supplemental thereto. St. John Association For Retarded Citizens occupied the public building in January, 1995.

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 1999

NOTE 10--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 within 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 building 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 11--YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Organization's operations as early as fiscal year 1999.

The Organization is in the process of identifying and taking an inventory of all its mission-critical systems and equipment for year 2000 compliance. Based on this information, the Organization is in the assessment stages.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Organization is or will be year 2000 ready, that the Organization's remediation efforts will be successful in whole or in part, or that parties with whom the Organization does business will be year 2000 ready.

NOTE 12--CONCENTRATIONS OF CREDIT RISK

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At June 30, 1999, the Organization's uninsured demand and time deposit balances total \$21,253 (collected bank balances). Management believes that the risk is limited because the deposits are maintained in high quality financial institutions.

OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS AND RECOMMENDATIONS

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

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July 26, 1999

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

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

We have audited the financial statements of St. John Association For Retarded Citizens, as of June 30, 1999 and 1998 and for the years then ended, and have issued our report thereon dated July 26, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether St. John Association For Retarded Citizens's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

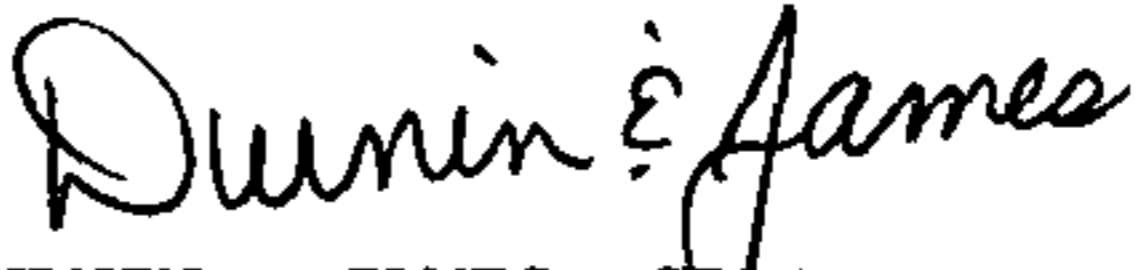
Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. John Association For Retarded Citizens's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

St. John Association For Retarded Citizens

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

Respectfully submitted,


DURNIN & JAMES, CPA'S

FINDINGS AND RECOMMENDATIONS

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1999

INTERNAL CONTROL OVER FINANCIAL REPORTING

98-1

None.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For The Year Ended June 30, 1999

<u>Ref.#</u>	<u>Description of Findings</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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None.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For The Years Ended June 30, 1999 and 1998

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Plan Corrective Action- Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
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Internal Control

98-1	June 30, 1998	Year 2000 Issue not addressed.	Yes	Assessment stage is complete.	
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Management Letter

98-1	June 30, 1996	Clients that perform service for the Organization are not being considered employees of the Organization.	Yes		
98-2	June 30, 1996	State Revenue sharing not applied for.	Yes	Applied for.	
98-3	June 30, 1996	Worker's compensation overpaid.	Yes	Refund applied for and received.	