
ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013



A Professional Accounting Corporation

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ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
St. John Association for Retarded Citizens, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements St. John Association for Retarded Citizens, Inc. (the Association) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

Postlethwaite & Little

Metairie, Louisiana
December 16, 2014

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 2,290,724	\$ 2,072,392
Contract receivables	105,770	102,256
Receivable from St. John Parish	106,092	69,241
Prepaid expenses	8,806	1,153
<u>TOTAL CURRENT ASSETS</u>	<u>2,511,392</u>	<u>2,245,042</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>229,903</u>	<u>256,827</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,741,295</u>	<u>\$ 2,501,869</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ -	\$ 166
Accrued payroll and payroll payables	33,063	38,859
Short term portion of long term obligations	2,932	2,792
<u>TOTAL CURRENT LIABILITIES</u>	<u>35,995</u>	<u>41,817</u>
<u>LONG TERM LIABILITIES</u>	<u>7,712</u>	<u>10,642</u>
<u>TOTAL LIABILITIES</u>	<u>43,707</u>	<u>52,459</u>
<u>NET ASSETS</u>		
Unrestricted	2,697,588	2,449,410
<u>TOTAL NET ASSETS</u>	<u>2,697,588</u>	<u>2,449,410</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,741,295</u>	<u>\$ 2,501,869</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>REVENUES AND OTHER SUPPORT</u>		
Contract revenues - DHH - Medicaid	\$ 1,000,834	\$ 922,291
Contract revenues - Betr-Care	39,649	35,990
Contract revenues - Res-Care	29,064	21,056
Contract revenues - COA	9,542	15,189
Ad valorem tax	400,558	257,902
Client contracts	44,692	47,610
Contributed rent	42,000	42,000
Client lunches	12,898	13,470
Membership dues	400	250
Insurance proceeds	-	98,000
Interest earnings	555	510
Miscellaneous income	31,227	15,876
Total revenues and other support	<u>1,611,419</u>	<u>1,470,144</u>
<u>EXPENSES</u>		
Program services:		
Adult habilitation program	734,874	863,756
Personel care attendant service program	594,548	525,394
Supporting services:		
Management and general	33,819	109,519
Total expenses	<u>1,363,241</u>	<u>1,498,669</u>
Change in net assets	248,178	(28,525)
<u>NET ASSETS AT BEGINNING OF THE YEAR</u>	<u>2,449,410</u>	<u>2,477,935</u>
<u>NET ASSETS AT END OF THE YEAR</u>	<u>\$ 2,697,588</u>	<u>\$ 2,449,410</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2014 AND 2013

2014	Program Services			Supporting Services		Total
	Adult H habilitation Program	Personal Care Attendant Service	Total Program Services	Management and General	Total Supporting Services	
Compensation and related expenses						
Compensation:						
Staff	\$ 332,535	\$ 502,808	\$ 835,343	\$ 11,897	\$ 11,897	\$ 847,240
Clients	31,909	-	31,909	-	-	31,909
Employee benefits - health insurance	43,683	37	43,720	-	-	43,720
Payroll taxes	27,406	45,571	72,977	-	-	72,977
Worker's compensation insurance	10,071	15,110	25,181	-	-	25,181
Conference and training	2,309	492	2,801	99	99	2,900
Client lunches	31,183	-	31,183	-	-	31,183
Depreciation	33,758	-	33,758	-	-	33,758
Dues	-	-	-	3,200	3,200	3,200
Insurance	48,162	-	48,162	-	-	48,162
License and fees	-	400	400	2,264	2,264	2,664
Loss on disposal of asset	276	-	276	-	-	276
Medicaid billing software and support	1,300	1,300	2,600	-	-	2,600
Occupancy:						
Utilities	16,031	553	16,584	1,843	1,843	18,427
Maintenance	17,857	625	18,482	2,084	2,084	20,566
Rent	36,540	1,260	37,800	4,200	4,200	42,000
Professional services	11,548	12,420	23,968	4,356	4,356	28,324
Supplies:						
Operating	10,042	363	10,405	-	-	10,405
Office	13,863	4,450	18,313	3,377	3,377	21,690
Telephone	5,556	6,286	11,842	-	-	11,842
Transportation expense	51,970	-	51,970	-	-	51,970
Travel and meals	-	371	371	223	223	594
Interest expense	-	300	300	-	-	300
Other	8,875	2,202	11,077	276	276	11,353
Total expenses	<u>\$ 734,874</u>	<u>\$ 594,548</u>	<u>\$ 1,329,422</u>	<u>\$ 33,819</u>	<u>\$ 33,819</u>	<u>\$ 1,363,241</u>

(Continued)

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
YEARS ENDED JUNE 30, 2014 AND 2013

2013	Program Services			Supporting Services		Total
	Adult H habilitation Program	Personal Care Attendant Service	Total Program Services	Management and General	Total Supporting Services	
Compensation and related expenses						
Compensation:						
Staff	\$ 343,513	\$ 454,945	\$ 798,458	\$ 19,899	\$ 19,899	\$ 818,357
Clients	29,572	-	29,572	-	-	29,572
Employee benefits - health insurance	12,887	-	12,887	-	-	12,887
Payroll taxes	28,500	30,481	58,981	-	-	58,981
Worker's compensation insurance	10,431	8,521	18,952	-	-	18,952
Conference and training	1,583	942	2,525	-	-	2,525
Client lunches	28,639	-	28,639	-	-	28,639
Depreciation	47,601	-	47,601	-	-	47,601
Dues	-	200	200	1,205	1,205	1,405
Hurricanes repairs and maintenance	131,658	-	131,658	33,782	33,782	165,440
Insurance	51,063	-	51,063	-	-	51,063
License and fees	-	2,055	2,055	2,567	2,567	4,622
Loss on disposal of asset	26,508	-	26,508	-	-	26,508
Medicaid billing software and support	1,200	1,200	2,400	-	-	2,400
Occupancy:						
Utilities	14,769	509	15,278	1,698	1,698	16,976
Maintenance	13,367	461	13,828	1,536	1,536	15,364
Rent	36,540	1,260	37,800	4,200	4,200	42,000
Professional services	9,091	8,523	17,614	37,022	37,022	54,636
Supplies:						
Operating	11,152	346	11,498	-	-	11,498
Office	6,279	5,558	11,837	777	777	12,614
Telephone	4,894	6,197	11,091	-	-	11,091
Transportation expense	48,696	-	48,696	-	-	48,696
Travel and meals	-	1,799	1,799	1,780	1,780	3,579
Interest expense	-	206	206	-	-	206
Other	5,813	2,191	8,004	5,053	5,053	13,057
Total expenses	<u>\$ 863,756</u>	<u>\$ 525,394</u>	<u>\$ 1,389,150</u>	<u>\$ 109,519</u>	<u>\$ 109,519</u>	<u>\$ 1,498,669</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 248,178	\$ (28,525)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	33,758	47,601
Loss on disposal of assets	276	26,508
Write-off of construction in progress	-	22,547
Decrease (increase) in contract receivables	(3,514)	152
Decrease (increase) in ad valorem tax receivable	(36,851)	24,844
Increase in prepaid expenses	(7,653)	(1,153)
(Decrease) increase in accounts payable	(166)	(7,353)
Increase in accrued payroll and payroll payables	(5,796)	4,517
Net cash provided by operating activities	<u>228,232</u>	<u>89,138</u>
<u>INVESTING ACTIVITIES</u>		
Purchase of equipment	(7,110)	(66,635)
Net cash used in investing activities	<u>(7,110)</u>	<u>(66,635)</u>
<u>FINANCING ACTIVITIES</u>		
Principal payments on capital lease	(2,790)	(12,790)
Net cash used in financing activities	<u>(2,790)</u>	<u>(12,790)</u>
Net increase in cash	218,332	9,713
Cash and cash equivalents, beginning of year	<u>2,072,392</u>	<u>2,062,679</u>
Cash and cash equivalents, end of year	<u>\$ 2,290,724</u>	<u>\$ 2,072,392</u>
<u>NON CASH FINANCIAL STATEMENT DISCLOSURE</u>		
In kind donation - use of facility	<u>\$ 42,000</u>	<u>\$ 42,000</u>

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

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

St. John Association for Retarded Citizens, Inc. (the Association) is a 501 (c) (3) non-profit corporation founded for the purpose of helping citizens with mental retardation and developmental disabilities and was incorporated on October 30, 1972 under the laws of the State of Louisiana. The Association operates a Day Developmental Work-Training Center and an Individual Family Support Services program. The day developmental work-training center trains the mentally and physically handicapped citizens of the parish who are 21 years of age and older. The areas of training are geared toward helping the individuals adjust to society. The Association also provides free transportation for all activities including daily instruction classes. The individual family support service provides twenty-four hour a day in-home care by trained workers and is available for mentally handicapped citizens of all ages and the elderly.

Basis of Presentation

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

Financial Accounting Standards Board Codification No. 958 entitled "Not-For-Profit Entities" requires that net assets and changes in net assets be reported for three classifications—permanently restricted, temporarily restricted and unrestricted—based on the existence or absence of donor imposed restrictions of the assets to a particular purpose. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time. The Association has no temporarily restricted net assets.

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Classification of Net Assets (continued)

- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Association pursuant to those stipulations. The Association has no permanently restricted net assets.

Cash and Cash Equivalents

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

Contracts Receivable

Contract receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Association provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was zero for the years ended June 30, 2014 and 2013.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost.

Donations of property and equipment are recorded as contributions at fair value on the date of donation. Such donations are reported as increased in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings and improvements	10-39 years
Land improvements	15 years
Equipment, furniture, and fixtures	5-20 years
Vehicles	5 years

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

Contract Revenue

Contract revenue is recognized on the accrual basis of accounting as services are provided.

Contributed Services

Members of the Association's board of directors and other volunteers have made significant contributions of their time to assist in the Association's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it does not meet the criteria for recognition under U.S. generally accepted accounting principles.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences

Salaried employees of the Association accrue leave time of one day for each operational month. Leave must be taken by June 30 each year or the leave time is lost. Accordingly, the financial statements do not include a provision for compensated absences.

Concentration of Credit Risk

The Association maintains cash in bank accounts in excess of insured limits periodically. The Association has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Income Taxes

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to Federal income tax.

The Association applies a “more-likely-than-not” recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Association has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities. Therefore, the implementation of this standard has not had a material effect on the Association.

The Association’s tax return for the year ended June 30, 2014 has not been filed and is on valid extension. The Association’s tax returns for the years ended 2013 and 2012 remain open and subject to examination by taxing authorities.

2. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>2014</u>	<u>2013</u>
Land	\$ 50,412	\$ 50,412
Leasehold improvements	45,900	45,900
Land improvements	39,449	39,449
Building and improvements	121,315	124,775
Equipment	72,273	84,309
Vehicles	254,663	281,417
Total	584,012	626,262
Less: Accumulated depreciation	<u>(354,109)</u>	<u>(369,435)</u>
Property and equipment, net	<u>\$ 229,903</u>	<u>\$ 256,827</u>

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

3. Receivable from St. John Parish

The citizens of St. John the Baptist Parish passed Proposition II on April 3, 1993. In 2012, Proposition II was renewed and will levy a one mill tax on all the property within the Parish for a period of ten years beginning with the year 2013 and ending with year 2022. The ad valorem funds are to be used for maintaining and operating the public building used to house mentally retarded persons (including payment of salaries and costs and conducting training programs for the mentally retarded and developmentally disabled citizens).

4. Contributed Rent

The Association occupies a parish government owned building located at 101 Bamboo Street, Laplace Louisiana under an agreement with the St. John the Baptist Parish Council at no charge. Included in contributed rent on the Statements of Activities and Changes in Net Assets is \$42,000 for the years ended June 30, 2014 and 2013.

5. Concentration

The Association receives from the State of Louisiana, Department of Health and Hospitals approximately 64% and 63% of total revenue for the years ended June 30, 2014 and 2013.

6. Capital Lease

The Association leases certain equipment under a capital lease expiring in December 2017. Accordingly, the equipment has been recorded as an asset at the present value of the minimum lease payments discounted at an interest rate of 4.925%. Equipment held under the capital lease has a net book value of \$10,644 at June 30, 2014. Accumulated amortization on equipment held under the capital lease at June 30, 2014 of \$2,792. Minimum future lease payments under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 3,391
2016	3,391
2017	3,391
Thereafter	1,413
Total Minimum lease payments	11,586
Less amount representing interest	(942)
Present value of net minimum lease payments	<u>\$ 10,644</u>
Current portion	\$ 2,932
Non-current portion	7,712
	<u>\$ 10,644</u>

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

NOTES TO FINANCIAL STATEMENTS

7. Hurricane Isaac Damage

In August and September 2012, the Laplace area suffered damages from Hurricane Isaac. There were flooding and physical damage to the facility and equipment used by the Association. As a result, certain assets were impaired and required restoration efforts to restore their service utility. Repair efforts were ongoing and the Association moved back into the facility in November 2012. The Association incurred costs of \$165,440 for repairs to the facility. The Association along with the St. John the Baptist Parish is working with the Federal Emergency Management Agency to determine amounts eligible for reimbursement. The Association received insurance reimbursements of \$98,000 in December 2012.

8. Subsequent Events

Management of the Association has evaluated subsequent events through the date of the financial statements were available to be issued, December 16, 2014.

In September 2014 a lawsuit was settled which had been filed on March 20, 2013. The settlement included funds paid to the plaintiffs by the Association; however, these amounts were covered by the Association's insurance, resulting in no direct financial impact.

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

To the Board of Directors of
St. John Association for Retarded Citizens, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. John Association for Retarded Citizens, Inc. (the Association)(a nonprofit organization), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
December 16, 2014

ST. JOHN ASSOCIATION FOR RETARDED CITIZENS, INC.

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2014

Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: none noted
- Significant deficiency(ies) identified that are not considered to be material weaknesses: none noted

Noncompliance material to the financial statements: none noted