

Our 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, we believe the reportable conditions of finding #1 described above are material weaknesses.

This report is intended for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

HULSEY, HARWOOD AND HULSEY, CPAs  
A Professional Accounting Corporation

*Hulsey, Harwood & Hulsey*

November 3, 1990

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 BALANCE SHEET  
 JUNE 30, 1996

	<u>Operating</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Plant</u> <u>Fund</u>	<u>Total</u> <u>All</u> <u>Funds</u>
<b>Assets:</b>				
Cash	\$ 209,984	\$ -	\$ -	\$ 209,984
Pre grants receivable	22,434	-	-	22,434
Student loans receivable	65	-	-	65
Accounts receivable - other	65,737	-	-	65,737
<b>Total current assets</b>	<u>362,220</u>	<u>-</u>	<u>-</u>	<u>362,220</u>
<b>Land, buildings and equipment</b>				
<b>at cost:</b>				
Buildings	-	-	1,588,083	1,588,083
Land/build improvements	-	-	15,971	15,971
Equipment	-	-	435,381	435,381
Transportation equipment	-	-	32,041	32,041
Accumulated depreciation	<u>-</u>	<u>-</u>	<u>(1,378,526)</u>	<u>(1,378,526)</u>
<b>Net land, buildings and</b>	<u>-</u>	<u>-</u>	<u>1,561,430</u>	<u>1,561,430</u>
<b>Other assets:</b>				
Cash surrender value of				
life insurance	11,520	-	-	11,520
Prepaid expenses	445	-	-	445
Due to other funds	3,860	3,121	-	6,121
<b>Total other assets</b>	<u>16,765</u>	<u>3,121</u>	<u>-</u>	<u>20,886</u>
<b>TOTAL ASSETS</b>	<u>\$ 389,985</u>	<u>\$ 3,121</u>	<u>\$ 1,561,430</u>	<u>\$ 1,961,716</u>

LOUISIANA CENTER FOR THE BLIND, INC.  
 BOSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 1998

**NOTE 4 - GRANT INCOME (Continued)**

State of Louisiana, Department of Social Services, Louisiana Rehabilitation Services	5,932
<p>Purpose: A training program for specialists/trainers in adaptive technology and evaluation services and a Braille transcriptionist program</p>	
State of Louisiana, Department of Social Services, Louisiana Rehabilitation Services	42,110
<p>Purpose: Providing an informational brochure and a dial-in Newsline and Information Service for the Blind in Louisiana</p>	
Total federal grants	<u>48,042</u>
<p>State Grants</p>	
Louisiana Tech University, Instructional Micro Manufacturing	174
<p>Purpose: Consulting on the research and development of a long white cane</p>	
Total state grants	<u>174</u>
Total grant income	<u>\$ 48,216</u>

**NOTE 5 - DONATED RENT**

The Center receives use of its operations center rent free from the National Federation of the Blind of Louisiana, Inc. The National Federation of the Blind purchased the building under a grant which restricts its use to services provided for the benefit of the blind. As the building can only be used for a specific purpose, the Center is not charged rent for use of the operations center. The value of this agreement has not been measured, and, therefore, is excluded from the financial statements.

This report is intended for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

HULSEY, HARWOOD AND HULSEY, CPAs  
A Professional Accounting Corporation

*Hulsey, Harwood & Hulsey*

November 1, 1986



# Hulsey, Harwood & Hulsey

*A Professional Accounting Corporation*

## Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS

To the Board of Directors of  
Louisiana Center for the Blind, Inc.  
Brazoria, Louisiana

We have audited the financial statements of Louisiana Center for the Blind, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated November 1, 1996.

We have also audited Louisiana Center for the Blind, Inc.'s compliance with the requirements governing types of services allowed or not allowed, eligibility, matching, level of effort, or earmarking; reporting; special tests and provisions; financial reports and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of Louisiana Center for the Blind, Inc. is responsible for the Center's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

We conducted our 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 the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions". These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any incremental instances of noncompliance with the requirements referred to above.

In our opinion, Louisiana Center for the Blind, Inc. complied, in all material respects, with the requirements governing types of services allowed or not allowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; financial reports and claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal programs for the year ended June 30, 1996.

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 STATEMENT OF CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>Opening Fund</u>	<u>Revised Fund</u>	<u>Plus Fund</u>	<u>Total All Funds</u>
FUND BALANCE, JUNE 30, 1995	\$ 147,124	\$ 3,321	\$ 1,743,271	\$ 1,894,016
Prior period adjustments	<u>58,780</u>	<u>          </u>	<u>( 58,854 )</u>	<u>1,636</u>
FUND BALANCE, JUNE 30, 1995, Revised	205,904	3,321	1,684,417	1,895,652
Public support and other revenues over (under) expenses	27,100		( 208,285 )	( 171,185 )
Transfers in (out)	<u>( 30,208 )</u>	<u>          </u>	<u>16,288</u>	<u>          </u>
FUND BALANCE, JUNE 30, 1996	\$ 202,796	\$ 3,321	\$ 1,500,620	\$ 1,722,906

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



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors of  
Louisiana Center for the Blind, Inc.  
Baton, Louisiana

We have audited the financial statements of Louisiana Center for the Blind, Inc., as of and for the year ended June 30, 1995, and have issued our report thereon dated November 1, 1995.

We have applied procedures to test Louisiana Center for the Blind, Inc.'s compliance with the following requirements applicable to its federal programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year end June 30, 1995:

- Political activity
- Davis Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Drug free workplace
- Allowable cost

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Audits of Institutions of Higher Learning and Other Non-Profit Institutions". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Louisiana Center for the Blind, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Louisiana Center for the Blind, Inc. has not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.



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### INDEPENDENT AUDITORS' COMBINED REPORT ON THE BASIC FINANCIAL STATEMENTS AND THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Board of Directors  
Louisiana Center For The Blind, Inc.

We have audited the accompanying balance sheet of Louisiana Center for the Blind, Inc. (a non-profit organization) as of June 30, 1996, and the related statement of support, revenue and expenses, statement of changes in fund balances and statement of functional expenses for the year then ended. These financial statements are the responsibility of the Center'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, 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 Nonprofit Institutions." These standards and OMB Circular A-133 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 Louisiana Center for the Blind, Inc. as of June 30, 1996, and the results of its operations and the changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Louisiana Center for the Blind, Inc. taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the 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 our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

HULSEY, HARWOOD AND HULSEY, CPAS  
A Professional Accounting Corporation

*Hulsey, Harwood & Hulsey*

November 1, 1996



claimed or used for matching that are applicable to each of Louisiana Center for the Blind, Inc.'s major programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Louisiana Center for the Blind, Inc.'s ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

#### **Finding #1:**

At year end the general ledgers for the General Operating and STIP Funds did not balance. This condition occurred because the general ledgers are manually maintained on the computer as a separate cost center. When a check is written from one fund's bank account and the expense is charged to another fund's expenses, the system does not notify the operator that a cross funding error has occurred. The accountant does not produce nor check each individual fund's trial balance at the end of each month to see if they balance. As a result of this condition, cross funding errors were not detected on a timely basis.

#### **Recommendation:**

The accountant should print a trial balance each month at the same time the monthly transaction list is run and check to see that it balances for the month and year to date. This will ensure that all funds are correctly stated and that transactions are recorded in the correct fund.

#### **Response:**

We are now running a trial balance at the end of each month for each individual fund to make certain that it does balance for that particular month and, also, for the year to date. This, we believe, should eliminate this problem.

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 program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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 awards programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

#### **Accounting Controls**

- Cash receipts
- Davis Bacon Act
- Cash disbursements
- Payroll

#### **Administrative Controls**

- Political activity
- Civil rights
- Allowable costs
- Drug free workplace
- Cash management
- Federal financial reports
- Administrative requirements

#### **Specific Requirements**

- Reporting
- Eligibility
- Allowable cost

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

During the year ended June 30, 1996, Louisiana Center for the Blind, Inc. expended 100.00% of its total Federal financial assistance under major programs.

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts



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## **SINGLE AUDIT REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Board of Directors of  
Louisiana Center for the Blind, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Center for the Blind, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated November 1, 1996. We have also audited Louisiana Center for the Blind, Inc.'s compliance with requirements applicable to major federal programs and have issued our report thereon dated November 1, 1996.

We conducted our audits in accordance with generally accepted auditing standards, "Government Auditing Standards", issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Louisiana Center for the Blind, Inc. complied with laws and regulations, noncompliance with which would be material to a major federal program.

In planning and performing our audits for the year ended June 30, 1996, we considered Louisiana Center for the Blind, Inc.'s internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on Louisiana Center for the Blind, Inc.'s financial statements 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 our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated November 1, 1996.

The management of Louisiana Center for the Blind, Inc. 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 well guarded against loss

Our 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, we believe the reportable conditions of finding #1 described above are material weaknesses.

This report is intended for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

HULSEY, HARWOOD AND HULSEY, CPAs  
A Professional Accounting Corporation

*Hulsey, Harwood + Hulsey*

November 1, 1990

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash Receipts
- Cash Disbursements
- Payroll
- Grant Administration

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

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

#### **Finding #1:**

At year end, the general ledgers for the General Operating and STEP Funds, did not balance. This condition occurred because the general ledgers are actually maintained on the computer as a separate cost center. When a check is written from one fund's bank account and the expense is charged to another fund's expense, the system does not notify the operator that a cross funding error has occurred. The accountant does not produce nor check each individual fund's trial balance at the end of each month to see if they balance. As a result of this condition, cross funding errors were not detected on a timely basis.

#### **Recommendation:**

The accountant should print a trial balance each month at the same time the monthly transaction list is run and check to see that it balances for the month and year to date. This will ensure that all funds are correctly stated and that transactions are recorded in the correct fund.

#### **Response:**

We are now running a trial balance at the end of each month for each individual fund to make certain that it does balance for that particular month and, also, for the year to date. This, we believe, should eliminate this problem.

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 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.



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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

To the Board of Directors of  
Louisiana Center for the Blind, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana Center for the Blind, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated November 1, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Louisiana Center for the Blind, Inc. 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 executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure in 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 our audit of the financial statements of Louisiana Center for the Blind, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

This report is intended for the information of the Board of Directors of the Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

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A Professional Accounting Corporation

*Hulsey, Harwood & Hulsey*

November 1, 1996

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
JUNE 30, 1966

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Land, Buildings and Equipment**

All expenditures for land, buildings and equipment are capitalized. Depreciation is computed by the straight-line method, beginning in the month of acquisition, based on the following estimated useful lives:

Instructional buildings	20 years
Apartment complex	20 years
Students activity center	15 years
Leasehold improvements	10 years
Office Equipment	5 years
Transportation Equipment	5 years

Depreciation expense for the year ended June 30, 1966 was \$208,285. Depreciation expense is reported as program and supporting services in the "Plant Fund" in the statement of support, revenue and expenses.

**Compensated Absences**

Employees of the Company are entitled to paid vacations and sick days depending on length of service to the Company. It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when paid to employees.

**Support and Revenue**

Certain revenues received under government grant programs are subject to audit by the providing agency. Contributions are considered to be available for unrestricted use unless specifically restricted by the grantor or the Board of Directors.

**Federal Income Taxes**

The Center qualifies as a tax-exempt organization under Section 501(c)3 of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

**Total Columns**

The accompanying balance sheet and statements of support, revenue and expenses and changes in fund balances reflect totals of all fund balances and activity. The totals are shown for informational purposes only and do not reflect the elimination of interfund activities using principles of consolidation.





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**INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH  
LAWS, REGULATIONS, CONTRACTS, AND GRANTS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
"GOVERNMENT AUDITING STANDARDS"**

To the Board of Directors of  
Louisiana Center for the Blind, Inc.  
Baton, Louisiana

We have audited the financial statements of Louisiana Center for the Blind, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated November 1, 1996.

We conducted our 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 we 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 Louisiana Center for the Blind, Inc. is the responsibility of the Center's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Center's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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 Governmental Auditing Standards.

This report is intended for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

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*A Professional Accounting Corporation*

*Hulsey, Harwood & Hulsey*

November 1, 1996

<u>Contri- bution Program</u>	<u>Total</u>	<u>Supporting Services</u>	<u>Total All Funds</u>
\$ -	\$ 211,866	\$ 14,191	\$ 266,057
-	3,425	29,022	21,487
-	214,291	63,213	297,504
-	42,669	4,068	51,738
-	8,628	19,569	28,128
65	9,558	4,569	14,067
-	298	17,088	17,384
-	-	3,223	3,223
-	15,915	-	15,915
-	3,242	13,496	16,738
-	7,032	18,147	25,189
50	4,447	-	4,447
-	-	367	367
-	9,122	3,524	13,646
-	10,382	3,689	12,682
-	19,183	2,856	21,959
-	38,143	14,407	52,550
-	-	3,417	3,417
-	39,226	-	39,226
-	-	-	-
-	133,694	-	133,694
-	16,717	-	16,717
<u>1,991</u>	<u>31,695</u>	<u>11,867</u>	<u>42,512</u>
3,616	636,394	179,251	829,313
<u>487</u>	<u>137,821</u>	<u>43,264</u>	<u>380,285</u>
\$ 2,901	\$ 803,585	\$ 222,515	\$ 1,690,108

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

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 1998

	Training Program	Buddy Program	Step Program
Salaries	\$ 231,033	\$ -	\$ 833
Payroll taxes and fringe benefits	<u>2,371</u>	<u>-</u>	<u>54</u>
Total salaries and related expenses	233,404	-	887
Rent and utilities	47,689	-	-
Contract labor	8,628	-	-
Supplies	9,483	-	-
Professional fees	288	-	-
Dues	-	-	-
Vehicle expense	13,915	-	-
Travel/transportation/conferences	3,242	-	-
Meals and lodging	6,877	-	45
Program activities	4,297	-	-
Recruitment/public relations	-	-	-
Repairs and maintenance	5,322	-	-
Printing/production/postage	18,793	-	-
Training and education	19,300	-	-
Insurance	38,362	-	-
Equipment	-	-	-
Maintenance - students	39,216	-	-
Work study	-	-	-
Grant expense	155,694	-	-
Interest expense	16,717	-	-
Other miscellaneous	<u>23,164</u>	<u>-</u>	<u>1</u>
Total expenses before depreciation	647,615	-	888
Depreciation of property	<u>156,389</u>	<u>-</u>	<u>273</u>
Total expenses	<u>\$ 803,924</u>	<u>\$ -</u>	<u>\$ 1,158</u>

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 STATEMENT OF SUPPORT, REVENUE, AND EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 1998

	Operating Fund	Restricted Fund	Plant Fund	Total All Funds
<b>Revenue:</b>				
<b>Public support</b>				
Fee income - Louisiana	\$ 385,833	\$ -	\$ -	\$ 385,833
Grant income (Note 4)	873,666	-	-	1,747,506
Fee income - other states	<u>244,511</u>	<u>-</u>	<u>-</u>	<u>244,511</u>
<b>Total public support</b>	<u>1,503,910</u>	<u>-</u>	<u>-</u>	<u>1,503,910</u>
<b>Other revenue</b>				
Home economics fees	1,307	-	-	1,307
Donations	18,765	-	-	18,765
Interest	451	-	-	451
Miscellaneous	<u>31,631</u>	<u>-</u>	<u>-</u>	<u>31,631</u>
<b>Total other revenue</b>	<u>52,154</u>	<u>-</u>	<u>-</u>	<u>52,154</u>
<b>Total public support and other revenue</b>	<u>1,556,064</u>	<u>-</u>	<u>-</u>	<u>1,556,064</u>
<b>Expenses:</b>				
<b>Program services:</b>				
Training program	847,615	-	156,308	1,003,923
Day program	988	-	123	1,111
Contributions	<u>2,036</u>	<u>-</u>	<u>487</u>	<u>2,523</u>
<b>Total program services</b>	<u>852,639</u>	<u>-</u>	<u>156,818</u>	<u>1,009,457</u>
<b>Supporting services:</b>				
Management and general	<u>179,251</u>	<u>-</u>	<u>40,264</u>	<u>219,515</u>
<b>Total supporting services</b>	<u>179,251</u>	<u>-</u>	<u>40,264</u>	<u>219,515</u>
<b>Total expenses</b>	<u>1,031,890</u>	<u>-</u>	<u>207,082</u>	<u>1,238,972</u>
<b>PUBLIC SUPPORT AND OTHER REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ 524,174</b>	<b>\$ -</b>	<b>\$ (207,082)</b>	<b>\$ 317,092</b>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
 BUSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 1998

**NOTE 8 - GRANT INCOME**

The following was included in Grant Income for the year ended June 30, 1998:

<u>Grant/Purpose</u>	<u>Grant Amount</u>
<b>Federal Grants:</b>	
Department of Education, Office of Special Educational Services	\$ 34,721
Purpose: Training teacher aides to serve as paraprofessionals in the delivery of educational services to blind/visually impaired children under the supervision of a contracted VI teacher/consultant	
Department of Education, Office of Special Educational Services	23,611
Purpose: Early intervention services for blind/visually impaired toddlers/infants	
Department of Education, Office of Special Educational Services	5,780
Purpose: Integration project for the visually impaired	
Department of Education, Office of Special Educational Services	34,718
Purpose: Training young adults in Braille, cane travel, independent living skills, computer literacy, socialization skills and increasing working and leadership skills	



# Hulsey, Harwood & Hulsey

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR PROGRAM TRANSACTIONS

To the Board of Directors of  
Louisiana Center for the Blind, Inc.  
Ruston, Louisiana

We have audited the financial statements of Louisiana Center for the Blind, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated November 1, 1996.

In connection with our audit of the financial statements of Louisiana Center for the Blind, Inc. and with our consideration of the Center's internal control structure used to administer federal programs, as required by Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions", we selected certain transactions applicable to certain nonmajor federal programs for the year ended June 30, 1996. As required by OMB Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or not allowed and eligibility that are applicable to these transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Louisiana Center for the Blind, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Louisiana Center for the Blind, Inc. had not complied, in all material respects, with these requirements.

This report is intended for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

HULSEY, HARWOOD AND HULSEY, CPAs  
A Professional Accounting Corporation

*Hulsey, Harwood & Hulsey*

November 1, 1996

LOUISIANA CENTER FOR THE BLIND, INC.  
BLUSTON, LOUISIANA  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 1996

Federal/Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grantor's Number	Program or Award Amount	Revenue	Expenditure
UNITED STATES DEPARTMENT OF EDUCATION					
PASS THROUGH LOUISIANA REHABILITATION SERVICES:					
Social Services/Basic Support	84.126A	06482	\$ 13,936	\$ 5,832	\$ 5,903
Social Services Newsletter	84.177A	06204 06687	49,847 <u>56,308</u>		
Total Newsletter			<u>196,247</u>	<u>62,119</u>	<u>62,118</u>
Total Louisiana Rehabilitation Services			<u>128,182</u>	<u>48,042</u>	<u>48,042</u>
PASS THROUGH LOUISIANA DEPARTMENT OF EDUCATION					
Part H Infant/Toddler	84.181*	84-CIT3-LC 89-CIT4-LC 90-CIT3-LC	31,848 6,198 <u>38,122</u>		
Total Part H			48,362	33,611	33,611
VI Teacher/Consultant	84.017*	84-DC-LC 88-CDS-LC	50,608 <u>50,828</u>	50,731	50,721
Total VI Teacher			180,890		
Interaction Project Grant	84.027*	84-DC-DC	8,800	5,793	5,788
Special Educational Services Grant	84.837*	84-D3-LC 89-CIT3-LC	23,731 <u>25,381</u>	<u>34,738</u>	<u>34,738</u>
Total Special Education Services			52,002		
Total Louisiana Department of Education			<u>289,352</u>	<u>128,836</u>	<u>128,830</u>
Total Direct			<u>329,378</u>	<u>172,892</u>	<u>172,882</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 329,378</u>	<u>\$ 172,892</u>	<u>\$ 172,882</u>

\*Major Federal Financial Assistance Program

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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LOUISIANA CENTER FOR THE BLIND, INC.  
 BUSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 1995

**NOTE 7 - LONG-TERM DEBT (Continued)**

Schedule of aggregate maturities of long-term debt for the next five years ending after June 30, 1996, are approximately as follows:

	\$ 23,851
1997	24,251
1998	24,856
1999	31,724
2000	33,224
After	-----
<b>Total</b>	<b>\$ 168,932</b>

**NOTE 8 - PRIOR PERIOD ADJUSTMENTS**

Certain balance sheet accounts have been restated from the prior financial statement due to the correction of an error. At June 30, 1995, prior period adjustments were made as follows:

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Plant Fund</u>	<u>All Funds</u>
<b>FUND BALANCE,</b> June 30, 1995	\$ 147,124	\$ 3,321	\$ 1,740,571	\$ 1,891,016
<b>Prior period adjustments:</b>				
Accounts payable	59,700	-	-	59,700
Equipment	-	-	( 58,700 )	( 58,700 )
Depreciation	-	-	1,626	1,626
<b>FUND BALANCE,</b> June 30, 1995, Restated	<b>\$ 206,824</b>	<b>\$ 3,321</b>	<b>\$ 1,683,301</b>	<b>\$ 1,893,446</b>

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 1996

**NOTE 5 - TRANSFERS IN/OUT**

The transfers in/out are for funds transferred in the normal course of business when funds are not available for the various programs. The individual fund with balances at June 30, 1996, are as follows:

Fund	<u>Transfer In</u>	<u>Transfer Out</u>
Operating Funds:		
General	\$ -	\$ 16,208
Contributions	-	-
Stop	-	-
Restricted Funds:		
FOR Hinton	-	-
Construction	-	-
Plant Fund	<u>16,208</u>	<u>-</u>
Totals	<u>\$ 16,208</u>	<u>\$ 16,208</u>

**NOTE 7 - LONG-TERM DEBT**

Long-term debt consisted of the following at June 30, 1996:

Central Bank, 9.80% note, due in 84 payments of \$3,250 per month through February, 2002, secured by ten co-signers each signing for \$30,000 or a total of 1/2 of the face amount	\$ 168,932
Less: current portion	<u>( 23,881 )</u>
Net long-term debt	<u>\$ 145,051</u>

LOUISIANA CENTER FOR THE BLIND, INC.  
BUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Louisiana Center for the Blind, Inc. (Center) in Buston, Louisiana operates a training facility for blind adults. The center works towards integrating the blind into the social and economic life of their community through training in the skills of blindness and by encouraging the development of positive attitudes about blindness. The Center receives a fixed monthly fee for each student in the program from the student's home state.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, "Audits of Voluntary Health and Welfare Organizations". The accompanying financial statement is presented on the accrual basis of accounting.

**Fund Accounting**

The accounts of the Center are maintained in accordance with the principles of fund accounting whereby resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund, accordingly, all financial transactions have been recorded in the funds as follows:

The current unrestricted fund represents revenues and expenses related to the operation and management of the Center's primary program and supporting services.

The current restricted fund represents resources available for use, but expendable only for the purposes specifically stated by the donor or grantor.

The plant fund represents the Center's investment in land, buildings and major equipment and the unexpended balance of funds specifically restricted by the grantor for the purchase of land, buildings and major equipment.

The costs of the Center's program and supporting services have been reported on a functional basis. This requires the allocation of certain costs among the various programs and supporting services based on estimates made by management.

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Plant Fund</u>	<u>Total All Funds</u>
<b>Liabilities and Fund Balance:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 2,988	\$ -	\$ -	\$ 2,988
Accrued liabilities	2,189	-	-	2,189
Due to other funds	8,121	-	-	8,121
Notes payable	<u>22,881</u>	<u>-</u>	<u>-</u>	<u>22,881</u>
Total current liabilities	<u>34,179</u>	<u>-</u>	<u>-</u>	<u>34,179</u>
<b>Non-current Liabilities:</b>				
Notes payable, net of current portion	<u>146,051</u>	<u>-</u>	<u>-</u>	<u>146,051</u>
<b>Fund balance:</b>				
Unrestricted	217,755	-	1,500,430	1,718,185
Restricted	<u>-</u>	<u>3,320</u>	<u>-</u>	<u>3,320</u>
Total fund balance	<u>217,755</u>	<u>3,320</u>	<u>1,500,430</u>	<u>1,721,505</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 398,984</b>	<b>\$ 3,320</b>	<b>\$ 1,500,430</b>	<b>\$ 1,902,734</b>

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

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LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1998  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-2-97

LOUISIANA CENTER FOR THE BLIND, INC.  
BLUSTON, LOUISIANA

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1996  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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LOUISIANA CENTER FOR THE BLIND, INC.  
 BOSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 1998

**NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

At year end, the carrying amounts of the Center's deposits was \$291,984, while the bank balance was \$316,595. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 200,000
Securities pledged in the entity's name	_____ 116,595
Total bank balance	\$ _____ 316,595

**NOTE 3 - LAND, BUILDINGS AND EQUIPMENT**

For the year ending June 30, 1998:

	____ Cost ____	Accumulated Depreciation	____ Net ____
Apartment Complex	\$ 480,528	\$ 176,588	\$ 314,040
Student Activity Center	77,367	15,611	21,756
Instructional Building	685,991	50,252	645,739
Hilton Building	_____ 285,125	_____ 85,781	_____ 279,344
Total buildings	_____ 1,588,088	_____ 328,232	_____ 1,289,856
Hilton Equipment	69,485	17,237	52,248
Office Equipment	276,044	183,618	92,426
Construction Equipment	55,396	15,843	41,463
Zena's Grant Equipment	_____ 34,350	_____ 9,223	_____ 25,127
Total equipment	_____ 435,281	_____ 325,921	_____ 211,460
Household Improvements	19,971	8,539	11,432
Transportation Equipment	_____ 32,911	_____ 14,511	_____ 17,780
Total land, buildings and equipment	\$ _____ 2,058,268	\$ _____ 329,236	\$ _____ 1,901,430