



**AFFILIATED BLIND OF
LOUISIANA, INC.
FINANCIAL REPORT
JUNE 30, 1997**

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 RDW 12 1997

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1 and 2
FINANCIAL STATEMENTS	
Statement of financial position	3
Statement of activities	4 and 5
Statement of cash flows	6
Notes to financial statements	7 - 14
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	15 - 18
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	19



H. ROSS SAHL, PUBLIC, LEWIS & BERKAU
CERTIFIED PUBLIC ACCOUNTANTS

1112 Third Congress
P.O. Box 10027
Lafayette, Louisiana
70503-0027

phone: (504) 988-1000
fax: (504) 988-1000

Office Offices:

Greenville, LA
(504) 833-8338

Shreveport, LA
(504) 942-0071

Shreveport, LA
(504) 896-1000

New Orleans, LA
(504) 581-1000

Greenville, LA
(504) 833-1000

Greenville, LA
(504) 833-0001

Larry E. Broussard, CPA
Lafayette, Louisiana

Raymond W. Gagnier, CPA
Lafayette, Louisiana

Donald W. Smith, CPA
Lafayette, Louisiana

Richard L. Brown, CPA
Lafayette, Louisiana

David S. Rogers, CPA
Lafayette, Louisiana

Scott E. Broussard, CPA
Lafayette, Louisiana

Donald B. Rogers, CPA
Lafayette, Louisiana

Edward W. Broussard, CPA
Lafayette, Louisiana

Robert E. Broussard, CPA
Lafayette, Louisiana

Michael J. Broussard, CPA
Lafayette, Louisiana

Gregory D. Rogers, CPA
Lafayette, Louisiana

Donald E. Rogers, CPA
Lafayette, Louisiana

Thomas E. Broussard, CPA
Lafayette, Louisiana

W. Scott Broussard, CPA
Lafayette, Louisiana

Paul W. Broussard, CPA
Lafayette, Louisiana

Office Offices:

Shreveport, Louisiana, CPA

Lawrence E. Puckett, CPA

James H. Brown, CPA

James H. Brown, CPA

George E. Lewis, CPA

Richard E. Broussard, CPA

Richard E. Brown, CPA

Member of the New Orleans Chapter of

Certified Public Accountants

Division of Louisiana Certified

Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Affiliated Kind of Louisiana, Inc.
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Affiliated Kind of Louisiana, Inc. (a nonprofit organization) as of June 30, 1997 and 1996 and the related statements of activities 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 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. 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of Affiliated Kind of Louisiana, Inc. as of June 30, 1997 and 1996, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In discussion in Note 2 to the financial statements, in 1996 the Organization changed its method of accounting for contributions and its method of financial reporting and financial statements:
PROBATIONARY.

In accordance with Government Auditing Standards, we have also issued a report dated September 18, 1997, on our consideration of Affiliated Blind of Louisiana, Inc.'s internal control structure and a report dated September 18, 1997, on ICS compliance with laws and regulations.

Boissard, Pelt: Lewis & Company

Lafayette, Louisiana
September 19, 1997

AFFILIATED SALES OF LOCKLAND, INC.

STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 1967 AND 1966

ASSETS	1967	1966
CURRENT ASSETS		
Cash	\$ 1,316,315	\$ 1,855,775
Investments	58,000	19,000
Receivables	-	50
Due from other agencies	330,906	262,838
Inventory	347	347
Prepaid expenses	88,823	31,855
Expense	<u>4,348</u>	<u>3,055</u>
Total current assets	\$ 2,088,729	\$ 2,452,855
FIXED ASSETS		
Property and equipment, net	\$ 4,824,514	\$ 4,211,103
Total assets	\$ 6,913,243	\$ 6,663,958
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,647	\$ 50
Accrued liabilities	37,775	14,375
Income taxes payable	<u>-</u>	<u>12,560</u>
Total current liabilities	\$ 52,422	\$ 27,485
NET ASSETS		
Unrestricted	\$ 1,793,758	\$ 1,758,120
Temporarily restricted	<u>4,820,485</u>	<u>4,792,283</u>
Total net assets	\$ 6,614,243	\$ 6,550,403
Total liabilities and net assets	\$ 6,913,243	\$ 6,663,958

See Notes to Financial Statements.

AFFILIATED BLIND OF AMERICA, INC.

STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 1967

	UNRESTRICTED	Temporarily RESTRICTED	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 262,767	\$ -	\$ 262,767
Fee for services	199,874	-	199,874
Fundraising events	1,074,179	-	1,074,179
Interest revenue	40,634	-	40,634
Grant income	-	118,887	118,887
Transportation reimbursement	289,214	-	289,214
Miscellaneous revenue	28,543	-	28,543
Net assets released from restrictions:			
satisfaction of program restrictions	117,373	1,017,373	-
expiration of time restrictions	75,822	176,822	-
Total revenues, gains and other support	<u>\$ 2,822,318</u>	<u>\$ 1,194,882</u>	<u>\$ 4,017,200</u>
EXPENSES AND LOSSES			
Program expenses:			
Housing and training	\$ 1,320,800	\$ -	\$ 1,320,800
Transportation	234,508	-	234,508
Administration	94,318	-	94,318
Fundraising	1,287,825	-	1,287,825
Total expenses	<u>\$ 2,937,451</u>	<u>\$ -</u>	<u>\$ 2,937,451</u>
Change in net assets	\$ 155,244	\$ 176,881	\$ 332,125
Net assets at beginning of year	6,219,112	6,701,892	12,921,004
Net assets at end of year	<u>\$ 6,374,356</u>	<u>\$ 6,878,773</u>	<u>\$ 13,253,129</u>

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 1986

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 358,884	\$ -	\$ 358,884
Fee for services	349,590	-	349,590
Fundraising events	1,492,114	-	1,492,114
Interest revenue	19,780	-	19,780
NET REVENUE	-	361,784	361,784
Transportation reimbursement	388,843	-	388,843
Miscellaneous revenue	17,866	-	17,866
Net assets released from restrictions:			
Satisfaction of program restrictions	178,894	(178,894)	-
Expiration of time restrictions	75,890	175,890	-
Total revenues, gains and other support	\$ 2,382,452	\$ 188,184	\$ 2,570,636
EXPENSES AND LOSSES			
Program expenses:			
Housing and training	\$ 1,271,260	\$ -	\$ 1,271,260
Transportation	326,218	-	326,218
Administration	66,867	-	66,867
Fundraising	1,357,866	-	1,357,866
Total expenses	\$ 2,982,211	\$ -	\$ 2,982,211
Change in net assets	\$ (118,899)	\$ 188,184	\$ 127,704
Net assets at beginning of year	2,822,811	2,482,808	5,305,619
Net assets at end of year	\$ 2,703,912	\$ 2,670,992	\$ 5,374,904

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1987 and 1986

	<u>1987</u>	<u>1986</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 127,700	\$ 127,700
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	323,368	315,461
Increase/ decrease in accounts receivable	50	151
Decrease in due from affiliates	-	32,000
Increase in prepaids	169,000	18,011
Decrease in due from other agencies	25,810	242,011
Increase/ decrease in accounts payable	14,432	18,151
Increase in accrued liabilities	23,328	32,000
Increase/ decrease in income tax payable	112,000	2,000
Decrease in due to affiliates	-	18,000
	<u>\$ 204,698</u>	<u>\$ 364,820</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and building improvements	\$ 18,400	\$ 132,800
Purchase of investments	-	128,000
	<u>\$ 18,400</u>	<u>\$ 40,800</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH	\$ 187,498	\$ 324,020
Cash at beginning of year	<u>2,021,724</u>	<u>1,697,704</u>
Cash at end of year	<u>\$ 2,209,222</u>	<u>\$ 2,021,724</u>

SEE NOTES TO FINANCIAL STATEMENTS.

AFFILIATED BLIND OF LOUISIANA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Nature of Organization and Significant Accounting Policies

Nature of Organization:

Affiliated Blind of Louisiana, Inc. (ABLO) was founded in 1968 as a private, nonprofit organization dedicated to providing special services and training to Louisiana's blind, visually-impaired, and deaf-blind populations. The Organization operates the ABLO Training Center, which has as its mission the teaching of skills required to maximize the independence and increase the employability of individuals who are blind, visually-impaired, or deaf-blind, thereby allowing for full integration into the community. ABLO also serves as a consumer organization which promotes the general welfare of Louisiana's blind, visually-impaired, and deaf-blind population; educates the public about blindness, and informs consumers of services available to them. In addition, ABLO operates a transportation program for elderly and handicapped residents within the state of Louisiana. The following is a description of the various divisions.

General Fund

The General Fund includes unrestricted resources available for support of operations.

Reserve Fund

The Reserve Fund includes unrestricted and restricted resources available for building renovations and support of operations.

Special Gaming Fund

The Special Gaming Fund includes fundraising activities from the bingo and pull-tab operations.

Transportation Fund

The Transportation Fund includes expendable resources restricted for the use of providing transportation for the handicapped who are unable to use the public transit system.

The accompanying financial statements of the organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes under Section 502(c)(1) of the Internal Revenue Code. However, certain fundraising activities of the Organization are not specifically exempt from income tax as further discussed in Note 2.

NOTES TO FINANCIAL STATEMENTS

Significant accounting policies:

Support and expenses:

All contributions are considered to be available for unrestricted activities unless specifically restricted by the donor. Assets received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Investments:

Investments which consists of certificates of deposits, are presented in the financial statements at fair market value.

Inventory:

Inventory is stated at the lower of cost or market, with cost determined by the first-in first-out method.

Allowance for doubtful accounts:

The organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment:

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the assets must be used, the organization has adopted a policy of applying a time restriction that expires over the useful life of the assets. Depreciation is computed, the straight-line and declining balance methods at rates based on the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5 - 10
Building and improvements	10 - 20
Transportation equipment	3 - 5

NOTES TO FINANCIAL STATEMENTS

Compensated absences:

Employees of the Organization earn annual leave in varying amounts ranging from 4.67 hours per month to 8 hours per month, depending upon length of service. At the end of each year, employees may carry forward vacation time earned but not taken with the maximum allowable carryover of unearned vacation time being equal to one year's accumulated vacation time. Subject to the above limitations, unearned vacation is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 1997, accrued annual leave totaled \$22,457.

Sick leave is earned at the same rate as annual leave; however, sick leave is not paid to employees at termination. In accordance with the provisions of Statement of Financial Accounting No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Donated services:

The Organization receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activities because the criteria for recognition under SFAS No. 118 have not been satisfied.

Cash and cash equivalents:

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

Note 2. Affiliated Organizations

Affiliated Blind of Louisiana, Inc. has eight chapters located throughout Louisiana. In addition, Affiliated Blind of Louisiana Enterprises, Inc. is a nonprofit organization which manages two bingo operations and contributes all profits to Affiliated Blind of Louisiana, Inc. The Organization reports all the following current monetary transactions with the above affiliated organizations as of and for the years ended June 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Contributions from:		
Affiliated Blind of Louisiana		
Enterprises, Inc.	\$ 250,000	\$ 242,000
Louisiana Chapter	<u>1,956</u>	<u>88,000</u>
	<u>\$ 251,956</u>	<u>\$ 330,000</u>
Contributions to:		
Louisiana Chapter	\$ 23,000	-
Kalou Image Chapter	<u>400</u>	<u>-</u>
	<u>\$ 23,400</u>	<u>\$ -</u>

There were no balances owed from or to affiliated organizations at June 30, 1997 or 1996.

Note 3. Property and Equipment

Property and equipment consisted of the following at June 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Land	\$ 200,000	\$ 200,000
Buildings and improvements	4,200,000	4,200,000
Furniture and equipment	1,000,000	1,000,000
Vehicles	<u>220,000</u>	<u>220,000</u>
	\$ 6,620,000	\$ 6,620,000
Less accumulated depreciation	<u>(2,900,000)</u>	<u>(290,000)</u>
	<u>\$ 3,720,000</u>	<u>\$ 6,330,000</u>

Total depreciation expense for the years ended June 30, 1997 and 1996 was \$220,000 and \$210,000, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 4. Due From Other Agencies

Due from other agencies consisted of the following at June 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Louisiana Rehabilitation Services for the Blind:		
Fee for services	\$ 142,487	\$ 88,457
Cost reimbursement grant	-	32,317
Project OHS grant	18,748	58,957
Lafayette City-parish Consolidated Government	<u>42,432</u>	<u>32,38</u>
	<u>\$ 203,667</u>	<u>\$ 181,811</u>

Note 5. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes in periods as of June 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Depreciation of building constructed with federal grant funds equipment	\$ 2,458,880	\$ 2,828,200
	<u>2,828,817</u>	<u>3,828,200</u>
	<u>\$ 2,828,817</u>	<u>\$ 3,151,200</u>

Note 6. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or the expiration of time as follows:

	<u>1997</u>	<u>1996</u>
Purpose restrictions accomplished:		
LRS grant	\$ -	\$ 88,457
Project OHS grant	117,372	88,327
Time restrictions expired:		
Depreciation of building	<u>75,068</u>	<u>75,000</u>
Total restrictions released	<u>\$ 192,440</u>	<u>\$ 251,884</u>

MOVED TO FINANCIAL STATEMENTS

NOTE 7. General Classification of Expenses

Expenses incurred were for the following at June 30, 1997 and 1996:

	Total	Division			
		General Fund	Revenue Fund	Special District Fund	Trans- portation Fund
1997:					
Salary	\$ 812,328	\$ 14,878	\$ 816,566	\$ 48,180	\$ 141,986
Payroll Tax	87,888	1,087	56,328	-	38,283
Depreciation	322,242	3,186	320,388	-	38,810
Insurance	107,120	8,312	82,281	-	35,587
Legal and accounting	38,828	3,798	33,069	-	-
Meetings	4,828	4,828	-	-	-
Office	7,083	348	6,835	-	-
Repair and maintenance	29,587	183	28,868	-	9,556
Supplies	82,383	182	73,868	48,184	517
Telephone	24,048	388	19,893	-	3,767
Travel	88,428	1,834	51,878	-	820
Sanitation	38,488	-	3,788	51,728	-
Prints	1,071,387	-	-	1,071,387	-
Session fees	78,888	-	-	78,888	-
Security	28,488	-	-	28,488	-
Contract					
Labor	21,877	-	21,877	-	-
Fuel	27,488	-	3,488	-	15,991
Utilities	48,288	-	48,288	-	-
Income tax	218	-	-	218	-
Client services	28,888	-	28,888	-	-
Other	78,822	25,288	87,122	808	1,481
	<u>\$8,887,822</u>	<u>\$ 24,318</u>	<u>\$8,120,822</u>	<u>\$1,887,822</u>	<u>\$ 228,222</u>

NOTES TO FINANCIAL STATEMENTS

Note 3. Natural Classification of Expenses (Continued)

	Total	Funds			Trans- portation Fund
		General Fund	Borrow Fund	Special Gaming Fund	
1986:					
Salary	\$ 808,824	\$ 28,388	\$ 428,514	\$ 28,480	\$ 127,415
Physical tax	42,367	1,441	58,520	-	10,406
Depreciation	518,855	2,311	298,825	-	14,814
Insurance	114,198	17,187	70,354	-	26,615
Legal and accounting	12,822	4,822	17,732	-	1,241
Meetings	8,233	8,233	-	-	-
Office	18,784	2,884	18,414	-	-
Repairs and maintenance	16,526	3,424	12,822	-	28,248
Supplies	73,189	1,527	12,128	58,882	522
Telephone	12,488	828	18,842	-	4,212
Travel	48,147	2,877	42,188	-	312
Auditorial	14,822	-	4,822	11,780	-
Prizes	1,148,521	-	-	1,148,521	-
Session fees	78,282	-	-	78,282	-
Security	18,824	-	-	18,824	-
Contract					
Labor	12,441	-	12,441	-	-
Fuel	12,182	-	8,248	-	12,214
Utilities	42,342	-	42,342	-	-
Income tax	12,822	-	-	12,822	-
Client services	12,822	-	12,822	-	-
Other	22,282	5,822	15,221	782	78
	<u>\$8,922,121</u>	<u>\$ 45,842</u>	<u>\$2,172,220</u>	<u>\$2,187,818</u>	<u>\$ 128,212</u>

Note 4. Change in Accounting Method

During the fiscal year ended June 30, 1986, the organization adopted the accounting treatment prescribed by Statement on Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received as if Contributions Made," and SFAS No. 117, "Financial Statements for Not-For-Profit Organizations."

NOTES TO FINANCIAL STATEMENTS

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. As permitted by SFAS No. 116, the Organization has retrospectively applied the provisions of this statement. The adoption of SFAS No. 116 had no effect on the Organization's change in net assets as of June 30, 1996.

Under SFAS No. 117, the Organization is required 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 such flows. As permitted by this new statement, the Organization has discontinued its use of fund reporting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. This reclassification had no effect on its change in net assets for the year ended June 30, 1995.

Note 9. Income Taxes on Unrelated Business Income

Affiliated Blind of Louisiana, Inc. has incurred unrelated business income tax on certain fundraising activities not specifically excluded by federal statutes. Income taxes have been provided as follows at June 30, 1997 and 1996:

	<u>1997</u>	<u>1996</u>
Federal tax provision	\$ <u>22,828</u>	\$ <u>22,828</u>
Cash payments for income tax during the year	\$ <u>22,828</u>	\$ <u>2,828</u>



BOHANNAN, POHLE, LEWIS & BREAUX
CERTIFIED PUBLIC ACCOUNTANTS

400 West Magazine
1005 Pine Street
Lafayette, Louisiana
70501-1000
phone (504) 982-9300
fax (504) 982-4154

Other Offices:

Greenville, LA
(504) 833-6600

Opalville, LA
(504) 944-5211

Shreveport, LA
(504) 988-1000

New Orleans, LA
(504) 584-4124

Thibodaux, LA
(504) 881-7800

Monroe, LA
(504) 833-6601

James K. Bohannon, CPA

Lawrence S. Bohannon, CPA

Robert C. Goble, CPA

Donald H. Kelly, CPA

Walter L. Lewis, II, CPA

David A. Meyer, CPA

David Bohannon, CPA

L. Gary J. White, CPA

Michael R. Meyer, CPA

William H. White, II, CPA

Stephen J. Goodson, CPA

Gene C. Robinson, CPA

Paul C. Smith, CPA

Walter J. White, CPA

George E. Young, III, CPA

Gene H. Goble, CPA

Gregory B. White, CPA

Robert P. White, CPA

Neil S. Smith, CPA

By Appointment:

Walter L. Lewis, II, CPA, FRCR

Donald H. Kelly, CPA, FRCR

James K. Bohannon, CPA, FRCR

David H. White, CPA, FRCR

George E. Young, III, CPA, FRCR

Donald H. White, CPA, FRCR, FRCR

William L. Kelly, CPA, FRCR

Members of American Institute of
Certified Public Accountants
Institute of Certified Public
Accountants

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

To the Board of Directors of
Affiliated Blind of Louisiana, Inc.
Lafayette, Louisiana

We have audited the financial statements of Affiliated Blind of Louisiana, Inc. as nonprofit organizations as of and for the year ended June 30, 1997, and have issued our report thereon dated September 18, 1997.

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 Affiliated Blind of Louisiana, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling these responsibilities, evaluation 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 to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Affiliated Wind of Louisiana, Inc. for the year ended June 30, 1997, 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, all applicable Federal agencies and those governments from which financial assistance was received. However, this report is a matter of public record and its distribution is not limited.



Lafayette, Louisiana
September 18, 1997



HIGGINBOTHAM, POCHE, LEWIS & BREAU
CERTIFIED PUBLIC ACCOUNTANTS

812 Third Complex
 701, Bay 1127
 Lafayette, Louisiana
 70503-1279
 phone: (504) 984-9900
 fax: (504) 984-9974

Other Offices:

Franklin, LA
 (504) 984-9900

Shreveport, LA
 (504) 984-9900

Shreveport, LA
 (504) 984-9900

New Orleans, LA
 (504) 984-9900

Shreveport, LA
 (504) 984-9900

Franklin, LA
 (504) 984-9900

Raymond C. Breault, CPA

Lawrence W. Gault, CPA

Paul W. H. Baker, CPA

Donald R. Bailey, CPA

William Thomas B. Carter, CPA

David A. Chapman, CPA

David L. Brannon, CPA

S. Charles Butler, CPA

Barbara M. Bunn, CPA

William Thomas B. Carter, CPA

Stephen L. Caudwell, CPA

Joseph J. Caudwell, CPA

Raymond C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

William C. Breault, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
 AN ASSET OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
 Affiliated Blind of Louisiana, Inc.
 Lafayette, Louisiana

We have audited the financial statements of Affiliated Blind of Louisiana, Inc. (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated September 18, 1997.

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.

Compliance with laws, regulations, contracts and grants applicable to Affiliated Blind of Louisiana, Inc. is the responsibility of Affiliated Blind of Louisiana, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with 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 Government Auditing Standards.

This report is intended for the information of management, all applicable Federal agencies and those governments from whom financial assistance was received. However, this report is a matter of public record and its distribution is not limited.

Raymond C. Breault, Paul W. H. Baker & Company

Lafayette, Louisiana
 September 18, 1997

Members of American Institute of
 Certified Public Accountants
 7010 Lakeshore Boulevard
 Dallas, Texas 75225