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AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

FINANCIAL REPORT

JUNE 30, 1998

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Affiliated Blind of Louisiana Training Center, Inc. (a nonprofit organization) as of June 30, 1998 and 1997 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 Blind of Louisiana Training Center, Inc. as of June 30, 1998 and 1997, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 11, 1998, on our consideration of Affiliated Blind of Louisiana Training Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Broussard, Poché, Lewis & Breaux, LLP

Lafayette, Louisiana
August 11, 1998

*A Professional Accounting Corporation

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 1998 and 1997

ASSETS	1998	1997
CURRENT ASSETS		
Cash	$ 897,849	$ 757,865
Due from ABL, Inc.	3,365	1,839
Due from employees	250	-
Due from other agencies	184,642	181,416
Prepaid expenses	41,934	38,462
Deposits	1,015	1,015
Total current assets	$1,129,055	$ 980,597
FIXED ASSETS		
Property and equipment, net	$4,562,608	$4,844,758
Total assets	$5,691,663	$5,825,355
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 2,837	$ 14,651
Accrued liabilities	27,118	30,798
Total current liabilities	$ 29,955	$ 45,449
NET ASSETS		
Unrestricted	$1,057,891	$1,101,089
Temporarily restricted	4,603,817	4,678,817
Total net assets	$5,661,708	$5,779,906
Total liabilities and net assets	$5,691,663	$5,825,355

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 1998

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 246,979	$ -	$ 246,979
Fee for services	842,392	-	842,392
Interest revenue	41,829	-	41,829
Grant revenue	-	97,949	97,949
Miscellaneous revenue	3,178	-	3,178
Net assets released from restrictions:			
Satisfaction of program restrictions	97,949	(97,949)	-
Expiration of time restrictions	75,000	(75,000)	-
Total revenues, gains and other support	$1,307,327	$ (75,000)	$1,232,327
EXPENSES AND LOSSES			
Program expenses:			
Housing and training	$1,325,612	$ -	$1,325,612
Transfers to ABL, Inc.	24,913	-	24,913
Total expenses	$1,350,525	$ -0-	$1,350,525
Changes in net assets	$ (43,198)	$ (75,000)	$ (118,198)
Net assets at beginning of year	1,101,089	4,678,817	5,779,906
Net assets at end of year	$1,057,891	$4,603,817	$5,661,708

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 1997

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 207,364	$ -	$ 207,364
Fee for services	737,676	-	737,676
Interest revenue	28,145	-	28,145
Grant revenue	-	119,887	119,887
Miscellaneous revenue	8,268	-	8,268
Transfers from ABL, Inc.	121,677	-	121,677
Net assets released from restrictions:			
Satisfaction of program restrictions	117,272	(117,272)	-
Expiration of time restrictions	75,000	(75,000)	-
Total revenues, gains and other support	$1,295,402	$ (72,385)	$1,223,017
EXPENSES AND LOSSES			
Program expenses:			
Housing and training	$1,320,999	$ -0-	$1,320,999
Changes in net assets	$ (25,597)	$ (72,385)	$ (97,982)
Net assets at beginning of year	1,126,686	4,751,202	5,877,888
Net assets at end of year	$1,101,089	$4,678,817	$5,779,906

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (118,198)	$ (97,982)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	286,442	302,568
(Increase) decrease in due from ABL, Inc.	(1,526)	(1,839)
(Increase) decrease in due from employees	(250)	50
Increase in prepaid expenses	(3,472)	(25,998)
Increase in due from other agencies	(3,226)	(12,927)
Increase (decrease) in accounts payable	(11,815)	14,595
Increase (decrease) in accrued liabilities	(3,680)	19,289
Decrease in due to ABL, Inc.	-	(120,538)
Net cash provided by operating activities	$ 144,275	$ 77,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and building improvements	$ (4,291)	$ (2,615)
Net increase in cash	$ 139,984	$ 74,603
Cash at beginning of year	757,865	683,262
Cash at end of year	$ 897,849	$ 757,865

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Affiliated Blind of Louisiana Training Center, Inc. was incorporated on September 10, 1997 to operate the Training Center which was previously operated by Affiliated Blind of Louisiana, Inc. The Organization took over operation of the Training Center effective October 1, 1997. The mission of the Training Center is to teach 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. For comparative purposes, all activity related to the Center for the current and prior year is included in this audit report.

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 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Support and expenses:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts 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.

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 implying a time restriction that expires over the useful life of the assets. Depreciation is computed by the straight-line and declining balance methods at rates based on the following estimated useful lives:

	Years
Furniture and equipment	3 - 25
Building and improvements	10 - 40

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 unused vacation time being equal to one year's accumulated vacation time. Subject to the above limitation, unused vacation is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 1998, accrued annual leave totaled $8,982.

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 Standards 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 activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and cash equivalents:

For the purposes 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 those estimates.

Note 2. Property and Equipment

Property and equipment consisted of the following at June 30, 1998 and 1997:

	1998	1997
Land	$ 292,500	$ 292,500
Buildings and improvements	4,353,570	4,353,570
Furniture and equipment	1,083,882	1,079,590
Vehicles	78,264	78,264
	$ 5,808,216	$ 5,803,924
Less accumulated depreciation	(1,245,608)	(959,166)
	$ 4,562,608	$ 4,844,758

Total depreciation expense for the year ended June 30, 1998 and 1997 was $286,442 and $302,568, respectively.

Note 3. Due From Other Agencies

Due from other agencies consisted of the following at June 30, 1998 and 1997:

	1998	1997
Louisiana Rehabilitation Services for the Blind:		
Fee for services	$ 175,605	$ 161,667
Project COPE grant	9,037	19,749
	$ 184,642	$ 181,416

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 1998 and 1997:

	1998	1997
Depreciation of building constructed with federal grant funds	$ 2,775,000	$ 2,850,000
Equipment	1,828,817	1,828,817
	$ 4,603,817	$ 4,678,817

The equipment included above was purchased with grant funds which required the equipment to be used for rehab purposes for a certain number of years or it would revert to the grantor. This is the balance that is still subject to that restriction.

Note 5. 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:

	1998	1997
Purpose restrictions accomplished:		
Project COPE grant	$ 97,949	$ 117,272
Time restriction expired:		
Depreciation of building	75,000	75,000
Total restrictions released	$ 172,949	$ 192,272

Note 6. Natural Classification of Expenses

Expenses incurred were for the following at June 30, 1998 and 1997:

	1998	1997
Salary	$ 610,250	$ 616,204
Payroll tax	50,765	56,224
Depreciation	286,442	302,568
Insurance	82,516	63,281
Legal and accounting	18,025	23,060
Office	12,326	5,540
Repairs and maintenance	15,531	19,846
Supplies	26,809	43,229
Telephone	13,599	19,893
Travel	11,689	9,576
Janitorial	5,354	3,766
Contract services	13,406	21,209
Fuel	2,625	2,435
Utilities	48,205	48,208
Client services	82,473	30,247
Low vision - purchases\expense	7,408	18,042
Training	14,575	10,528
Other	23,614	27,143
	$ 1,325,612	$ 1,320,999

Note 7. Affiliated Organizations

Affiliated Blind of Louisiana Enterprises, Inc. is a nonprofit organization which manages two bingo operations and contributes 75% of its profits to Affiliated Blind of Louisiana Training Center, Inc. The following direct monetary transactions were engaged in as of and for the years ended June 30, 1998 and 1997:

	1998	1997
Contributions from:		
Affiliated Blind of Louisiana Enterprises, Inc.	$ 233,527	$ 206,063

There were no balances owed from or to affiliated organizations at June 30, 1998 and 1997.

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

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

We have audited the financial statements of Affiliated Blind of Louisiana Training Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated August 11, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is

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find. Our consideration of

a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poché, Lewis & Breaux, LLP

Lafayette, Louisiana
August 11, 1998