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LOUISIANA INDUSTRIES FOR THE DISABLED, INC.
Baton Rouge, Louisiana
FINANCIAL REPORT

June 30, 1988

Under provisions of state law, this report is a public document. A copy of this report has been distributed to the auditor, or reviewer, and to 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 **06/14/88**

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.
Baton Rouge, Louisiana

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June 30, 1988

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Louisiana Industries for the Disabled, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statements of financial position of **LOUISIANA INDUSTRIES FOR THE DISABLED, 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 audits 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. 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 audits provide 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 INDUSTRIES FOR THE DISABLED, INC.** at 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 our report dated July 27, 1998, on our consideration of the organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Faulk & Winkler, L.L.C.
Certified Public Accountants

Baton Rouge, Louisiana
July 27, 1998

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

June 30, 1998 and 1997

ASSETS

	1998	1997
CURRENT ASSETS		
Cash	\$ 408,169	\$ 121,221
Certificates of deposit	131,606	187,382
Accounts receivable, net	377,196	255,398
Prepaid expenses	18,187	38,892
	<u>835,158</u>	<u>404,893</u>
Total current assets	835,158	404,893
PROPERTY AND EQUIPMENT, net	<u>1,054,363</u>	<u>1,088,924</u>
Total assets	<u>\$ 1,889,521</u>	<u>\$ 1,493,817</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current maturities of long term debt	\$ 8,914	\$ 8,178
Accounts payable	222,744	25,831
Accrued expenses	43,823	44,823
	<u>275,481</u>	<u>78,832</u>
Total current liabilities	275,481	78,832
LONG TERM DEBT, net of current maturities	<u>54,373</u>	<u>71,642</u>
Total liabilities	<u>329,854</u>	<u>150,474</u>
NET ASSETS		
Board designated payroll reserve	131,606	107,382
Undesignated	1,528,099	1,374,871
	<u>1,659,705</u>	<u>1,482,253</u>
Total net assets	1,659,705	1,482,253
Total liabilities and net assets	<u>\$ 1,889,521</u>	<u>\$ 1,493,817</u>

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

LOUISIANA INDUSTRIES FOR THE DISABLED, INC
Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
REVENUE AND SUPPORT		
Vocational services	\$ 605,582	\$ 655,633
Service contracts	1,239,996	1,406,821
WCDC	356,604	298,734
Other	<u>91,402</u>	<u>91,584</u>
 Total revenue	 <u>2,393,584</u>	 <u>2,452,772</u>
 EXPENSES		
Program services:		
Vocational services	788,972	481,247
Service contracts	872,534	1,090,781
WCDC	282,564	279,126
General and administrative	<u>318,242</u>	<u>355,228</u>
 Total expenses	 <u>2,262,312</u>	 <u>2,206,382</u>
 Change in net assets	 228,262	 86,310
 NET ASSETS		
Beginning of year	<u>1,433,453</u>	<u>1,345,143</u>
 End of year	 <u>\$ 1,658,715</u>	 <u>\$ 1,431,453</u>

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

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 228,262	\$ 85,310
Adjustments to reconcile change in net assets:		
Depreciation	78,443	83,658
Change in operating assets and liabilities:		
Accounts receivable	(21,728)	(24,072)
Prepaid expenses	(7,215)	65
Accounts payable	98,913	(43,732)
Accrued expenses	(1,038)	13,013
Net cash provided by operating activities	<u>373,651</u>	<u>115,213</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in certificates of deposit	(24,214)	(6,015)
Fixed asset acquisitions	<u>(43,894)</u>	<u>(35,848)</u>
Net cash used by investing activities	<u>(68,118)</u>	<u>(41,863)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of debt and notes payable	<u>(18,382)</u>	<u>(23,398)</u>
Net increase in cash	287,148	31,978
CASH		
Beginning of year	<u>121,221</u>	<u>89,243</u>
End of year	<u>\$ 408,369</u>	<u>\$ 121,221</u>

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

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.
Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

Louisiana Industries for the Disabled, Inc. (LIFTD) is a non-profit corporation whose purpose is to enhance the life of the mentally and physically disabled, including, but not limited to the following:

- o Developing job skills,
- o Developing personal and work adjustment,
- o Providing, developing and promoting employment opportunity,
- o Promoting independent learning skills, and
- o Providing any other goals and services needed by the disabled to achieve the above goals.

LIFTD primarily operates in the Baton Rouge, New Orleans and Lafayette areas.

Basis of presentation

The financial statements of LIFTD have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements.

Financial statement presentation complies with the Financial Accounting Standards Board's *Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Non-for-Profit Organizations*. Under SFAS No. 117, LIFTD is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. LIFTD does not have any permanently restricted net assets at June 30, 1998 and 1997.

The statement of activities presents expenses of LIFTD operations functionally between program services, and general and administrative.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent 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. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For purpose of the statement of cash flows, LIFTD considers cash in operating bank accounts, and cash on hand as cash. Cash equivalents include certificates of deposit with original maturities of three months or less.

LIFTD has an agreement with its bank for automatic investment service whereby excess operating funds are invested daily at a competitive rate of return. The investment is a repurchase agreement with the bank and the investments are in certain purchased securities. The investments are not insured by or guaranteed by any bank, the Federal Deposit Insurance Corporation or any government agency.

Accounts receivable

Accounts receivable represent fees for service contracts due from governmental units and agencies. The allowance for doubtful accounts was \$4,690 at June 30, 1998 and 1997.

Property, equipment and depreciation

Property and equipment are recorded at cost. Donated assets are recorded at their fair market value at the date of their gift. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

Restricted support

LIFTD received support from Louisiana agencies to expend on job development, and property and equipment acquisitions. When the program restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets. 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. Accordingly, since the restrictions of temporarily restricted support of \$647,518 and \$608,156 were met during the years ended June 30, 1998 and 1997, respectively, such support has been shown as unrestricted.

Revenue recognition

LIFTD records service contracts revenue as services are rendered.

Grants to others

During the year ended June 30, 1998, LIFTD administered a federal grant program to increase employment opportunities for individuals with severe disabilities. The grant terms are that sub-recipients contracted with LIFTD to provide employment for the disabled for five years. Grant expenditures by LIFTD include the purchase of equipment for sub-recipients to utilize in the related employment. Such funding provided \$114,168 (79%) of the cost of equipment with the sub-recipients providing the balance. While LIFTD retains title to the equipment during the grant period, the equipment acquisitions were expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation and sick leave

Vacation and sick leave are earned at varying rates from 8 to 15 hours per month depending on length of service. A maximum of three days of unused leave can be carried over at December 31. Accordingly, amounts related to such leave have been accrued at June 30, 1998 and 1997.

Income taxes

The Corporation is a non-profit organization that is exempt from income taxes under Section 501(c)(2) of the Internal Revenue Code.

Reclassifications

Certain amounts in the June 30, 1997, financial statements have been reclassified to conform with the June 30, 1998, financial statement presentation.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment, related service lives, and accumulated depreciation at June 30, 1998 and 1997, are as follows:

	Estimated Service Lives	1998	1997
Land	-	\$ 17,500	\$ 17,500
Building	10 - 30 years	1,053,290	1,053,291
Furniture and equipment	5 years	347,426	329,251
Household improvements	5 years	23,997	23,997
Vehicles	3 - 5 years	123,808	108,099
Property and equipment		1,576,023	1,532,138
Less accumulated depreciation		652,659	644,214
		<u>\$ 1,054,263</u>	<u>\$ 1,088,924</u>

Depreciation expense was \$76,445 and \$83,659 for the years ended June 30, 1998 and 1997, respectively.

NOTE 3 - LONG-TERM DEBT

During the year ended June 30, 1998, LIFTD drew \$83,673 on a non-revolving line of credit. The terms of the agreement require monthly payments of \$4,349, including interest at 8.62%, starting May 2000. LIFTD has elected to make additional principal payments to reduce the loan balance during the year ended June 30, 1998. As of June 30, 1998, \$41,811 is available on the line of credit.

NOTE 3 - LONG-TERM DEBT (CONTINUED)

Maturities of long-term debt for the years succeeding June 30, 1998, are as follows:

<u>June 30,</u>	<u>Amount</u>
1999	8,914
2000	<u>24,373</u>
Total	<u>\$ 33,287</u>

NOTE 4 - ECONOMIC DEPENDENCY

LIFTD derives its revenues from governmental sources as earned revenue or grants, the loss of which would have a material adverse effect. During the years ended June 30, 1998 and 1997, revenue derived from governmental sources accounted for approximately 99% of total revenue and accounts receivable at period-end were related to such revenues.

NOTE 5 - RELATED PARTY

LIFTD incurred \$1,193 of accounting software support expenses during the year ended June 30, 1997. LIFTD's treasurer is employed by the accounting firm.

NOTE 6 - PENSION PLAN

LIFTD instituted a qualified profit sharing money purchase pension plan during the year ended June 30, 1997. Employees are 100% vested in their contributions; employer contributions are vested over five years.

LIFTD funded \$48,079 and \$13,833 of contributions during the years ended June 30, 1998 and 1997, respectively.

NOTE 7 - SUPPLEMENTAL CASH FLOW INFORMATION

LIFTD paid interest of \$6,593 and \$8,378 for the years ended June 30, 1998 and 1997, respectively.

Special Independent Auditors' Reports

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.
Baton Rouge, Louisiana

June 30, 1998



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

Board of Directors
Louisiana Industries for the Disabled, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated July 27, 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 **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 95-1.

Internal Control Over Financial Reporting

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

This report is intended for the information of the management of the organization, the Legislative Auditor and Federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Faith & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
July 27, 1998



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Louisiana Industries for the Disabled, Inc.
Baton Rouge, Louisiana

Compliance

We have audited the compliance of LOUISIANA INDUSTRIES FOR THE DISABLED, INC. (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to its major federal program for the year ended June 30, 1998. LOUISIANA INDUSTRIES FOR THE DISABLED, INC.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of LOUISIANA INDUSTRIES FOR THE DISABLED, INC.'s management. Our responsibility is to express an opinion on LOUISIANA INDUSTRIES FOR THE DISABLED, INC.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, "Audit of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirement referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LOUISIANA INDUSTRIES FOR THE DISABLED, INC.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of LOUISIANA INDUSTRIES FOR THE DISABLED, INC.'s compliance with those requirements.

As described in Item 98-1 in the accompanying schedule of findings and questioned costs, LOUISIANA INDUSTRIES FOR THE DISABLED, INC. did not comply with requirements regarding the procurement of equipment that is applicable to its Job Creation Program. Compliance with such requirements is necessary, in our opinion, for LOUISIANA INDUSTRIES FOR THE DISABLED, INC. to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, LOUISIANA INDUSTRIES FOR THE DISABLED, INC. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1968.

Internal Control over Compliance

The management of LOUISIANA INDUSTRIES FOR THE DISABLED, INC. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered LOUISIANA INDUSTRIES FOR THE DISABLED, INC.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the organization, the Legislative Auditor and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountant

Baton Rouge, Louisiana
July 23, 1968

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Bayou Rouge, Louisiana

SCHEDULE OF FEDERAL AWARDS

For the year ended June 30, 1978

CFDA Number	Grant Amount	Balance July 1	Federal Receipts	Grants Matching Contributions	Federal Expending	Non-Federal Expending	Balance June 30
	\$ 20,000	\$ -	\$ 9,287	\$ -	\$ 9,287	\$ -	\$ -
<p>Grants/State Pass-Through Programs named</p> <p>Location of Project</p> <p>Non-Major Programs</p> <p>Department of Housing and Urban Development/City of Slusher Bayou/Parish of East Baton Rouge/Company Station</p> <p>Department of Health and Human Services/ Louisiana Department of Social Services/ East Baton Rouge Parish/Office of Family Services/Adult in Families with Dependent Children-ADFC-Program Independent/ Other Federal Assistance</p>							
91.941	288,000	91,900	219,407	77,894	311,992	77,471	92,091
94.1254	793,540	-	94,012	27,847	115,899	30,498	27,688
	\$ 20,000	\$ -	\$ 219,389	\$ 27,847	\$ 341,272	\$ 111,249	\$ 121,111

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.
Baton Rouge, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 1998

1) Summary of Auditors' Results:

- a) The type of report issued on the basic financial statements: **Unqualified opinion**
 - b) Reportable conditions in internal control disclosed by the audit of Financial Statements: **none**

Material weaknesses: **none**
 - c) Noncompliance which is material to the basic financial statements: **none**
 - d) Reportable conditions in internal control over major programs: **none**
 - e) The type of report issued on compliance for major programs: **Qualified opinion**
 - f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **See 98-1**
 - g) Major Program:
 - 1) U. S. Department of Education
Louisiana Department of Social Services
Louisiana Rehabilitation Services
Job Creation Project
CFDA No. 84.325A
 - h) Dollar threshold used to distinguish between Type A and Type B programs: **\$500,000**
 - i) Auditor qualified as a low-risk auditor under Section 530 of OMB Circular A-133: **yes**
- 2) Findings relating to the financial statements reported in accordance with Governmental Auditing Standards: **See 98-1**

7) Findings and questioned cost relating to federal awards: See 98-1

98-1

Finding:

Job Creation/ Equipment procurement

In accordance with contract requirements of the Job Creation Project, equipment purchased with a cost in excess of \$25,000 must be advertised in accordance with R.S. 39:1354.

LIFTD purchased a piece of equipment during the year ended June 30, 1998 that exceeded the \$25,000 threshold without advertising for competitive bids. LIFTD attempted to obtain five quotations for the equipment but received four responses.

Recommendation:

We recommend that LIFTD's equipment procurement policy adhere to Louisiana purchasing regulations as stated in its contract with Louisiana Rehabilitation Services. In particular, equipment with an expected purchase price in excess of \$25,000 be advertised for competitive bidding.

Management response:

Management stated that it was not aware of the requirement to advertise for large equipment purchases. Management's experienced opinion is that, in most cases, advertising for equipment may be impractical since equipment previously purchased was specialized in nature for operation by the disabled. Accordingly, few vendors are able to provide such equipment.

In any event, as of August 7, 1998, LIFTD has revised its policy to include the advertisement for competitive bidding when purchasing equipment in excess of \$25,000 through either a trade publication and/or public notices in local newspapers.

PRIOR YEAR FINDING

97-1

For the year ended June 30, 1997, a non-compliance finding relating to a report filed by the Office of Inspector General of the State of Louisiana titled "Computer Overpayments" (File No. 1-97-9045) that concerned LIFTD. The report addressed transactions involving a former Executive Director of LIFTD and a corporation through which computer equipment and related software were provided to LIFTD through leasing arrangements.

As of the date of this report, the ultimate resolution of this claim was unresolved.



**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY AND STATISTICAL INFORMATION**

Board of Directors
Louisiana Industries for the Disabled, Inc.
Baton Rouge, Louisiana

Our report on our audit of the basic financial statements of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit corporation) for June 30, 1998 appears on pages 1 and 2. We conducted our audit in accordance with generally accepted auditing standards for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses for the year ended June 30, 1998, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Faulk Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
July 27, 1998

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 1988

	Vocational Services	Service Contracts	WCRC	General and Administrative	Totals	
					1988	1987
EXPENSES						
Salaries	\$ 401,219	\$ 516,214	\$ 188,348	\$ 145,215	\$ 1,249,994	\$ 1,308,076
Payroll taxes	29,898	38,893	14,168	10,419	93,378	97,379
Equipment	4,992	473	-	4,956	18,421	9,305
Grants	114,146	-	-	-	114,066	789
Subscriptions and memberships	2,276	336	309	1,835	4,726	2,828
Repairs and maintenance	884	10,544	2,248	7,789	23,363	29,314
Travel and entertainment	4,281	93	4,378	644	9,374	8,998
Training	12,883	4,578	879	12,790	38,949	12,614
Office supplies	24,195	2,499	2,123	23,454	32,271	31,279
Professional	8,928	11,238	-	21,470	41,258	52,619
Automobile	6,581	15,239	5,844	10,856	37,731	48,403
Rent and lease	20,009	2,876	196	2,243	34,948	38,708
Rehabilitation supplies and contracts	26,286	-	21,884	-	68,259	52,771
Depreciation	24,631	4,641	4,641	11,560	78,445	81,639
Utilities and telephone	20,089	2,999	11,263	3,886	48,433	41,654
Insurance	26,931	79,248	11,802	44,238	172,239	168,101
Sanitorial supplies and contracts	-	154,899	-	-	154,899	195,208
Interest	-	-	-	6,593	6,593	8,878
Printing and freight	2,638	167	256	487	3,458	2,928
Business lunch	8,683	2,893	3,421	23,199	48,675	11,833
Other	1,064	289	9,821	-	11,274	97,275
Total expenses	\$ 789,972	\$ 872,234	\$ 281,964	\$ 135,242	\$ 2,283,112	\$ 2,308,992