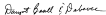


This report is intended for the information of the Board of Directors New Horizon, Inc. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



Donald, Beall & DeBorja, CPA's, APC  
January 23, 1997

**2. EMPLOYEE'S GROSS PAY CALCULATIONS**

**Condition:** We noted that in our sample of the Organization's payroll calculations one employee's gross pay was incorrectly calculated for one payroll period.

**Recommendation:** We recommend that New Horizons, Inc. follow their procedures to ensure all employee's payroll calculations are accurate.

**3. CASH DISBURSEMENTS**

**Condition:** We noted in our tests of operating expenses that one check was made payable to "Cash" for \$58.

**Recommendation:** We recommend that New Horizons, Inc. ensure that all disbursements are made payable to the vendor.

**4. STATE UNEMPLOYMENT TAXES**

**Condition:** We noted that the Louisiana State unemployment taxes were overpaid for the second and third quarters of 1999 because they were incorrectly calculated.

**Recommendation:** We recommend that New Horizons, Inc. amend the incorrectly filed returns to obtain a refund for the overpayment.

**5. FIXED ASSET INVENTORY**

**Condition:** We noted that the fixed asset inventory is not being reconciled to the general ledger.

**Recommendation:** We recommend that New Horizons, Inc. establish procedures to ensure that the fixed asset inventory list agrees with the general ledger.

**6. FIXED ASSET PURCHASES**

**Condition:** We noted that furniture and equipment purchases were not being recorded in the fixed assets accounts in the general ledger.

**Recommendation:** We recommend that New Horizons, Inc. establish procedures to ensure that fixed asset purchases are properly recorded in the fixed asset accounts in the general ledger.



## DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

Board of Directors  
New Horizons, Inc.  
Alexandria, Louisiana

We have audited the financial statements of New Horizons, Inc. for the year ended September 30, 1997, and have issued our report thereon dated January 23, 1998.

In planning and performing our audit of the financial statements of New Horizons, Inc. for the year ended September 30, 1997, we considered its internal control structure 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 structure. However, 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 consistent with the assertions of management in the financial statements.

### I. EMPLOYEE'S TIME SHEETS

**Condition:** We noted in our sample of New Horizons, Inc.'s payroll calculations two employees' time sheets were not approved by the employee's supervisor as required by the Organization's policies.

**Recommendation:** We recommend that New Horizons, Inc. follow their procedures to ensure all employee's time records are properly approved.

**NEW HORIZONS, INC.**  
**Shreveport, Louisiana**

**Corrective Action Plan for Current Year Audit  
 Findings for the Year Ended September 30, 1993**

Ref. No.	Description of Finding	Corrective Action Planned	Responsible	Completion Date
90-1	Two employee time sheets were not approved.	Improved oversight over the payroll function.	H. Milby	Feb. 1994
90-2	One employee's gross pay was incorrectly calculated.	Improved oversight over annual payroll checks.	H. Milby	Feb. 1994
90-3	One operating expense check was made payable to "Cash".	All disbursements will be payable to the vendor.	H. Milby	Feb. 1994
90-4	State unemployment taxes were incorrectly calculated resulting in overpayment.	Amended returns with the correct information will be filed with Dept. of Labor.	H. Milby	Feb. 1994
91-1	Fixed asset inventory is not reconciled in general ledger.	Procedures will be established to ensure agreement between the inventory list and general ledger.	H. Milby	April 1994
91-4	Furniture and equipment purchases were not recorded in the fixed asset accounts.	Procedures will be established to ensure property additions are properly recorded.	H. Milby	Feb. 1994

The following issue was reported as a material weakness.

91-1	Accounts receivable subsidiary was not maintained for cost billed to Federal and state agencies.	Procedures will be developed to ensure costs billed are properly recorded in the accounts receivable subsidiary ledger.	H. Milby	April 1994
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**NEW HORIZONS, INC.**  
**Shreveport, Louisiana**

**Summary Schedule of Prior Audit Findings  
 For the Year Ended September 30, 1996**

<b>Ref. No.</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description of Finding</b>	<b>Planned Corrective Action Taken (Yes, No, Partially)</b>	<b>Action Taken</b>
96-1	9/30/96	Employee pay rates need to be documented.	Yes	All employees pay rates are documented.
96-2	9/30/96	Disbursements needed purchased orders.	Yes	Disbursements over \$10 are now supported with purchase orders.
96-3	9/30/96	Total hours per time card disagreed with payroll.	Yes	Procedures implemented to ensure accuracy.
96-5	9/30/96	Three instances of invoices not approved prior to payment.	No	Executive Director approves disbursements.
96-4	9/30/96	Form 990 not filed timely.	Yes	Independent Auditor engaged to prepare 990.
96-6	9/30/96	Rent expense paid twice.	No	Consistency with lease pending.

The following were material weaknesses reported.

96-1	9/30/96	Bank reconciliations not performed for Great Action Co.	Yes	All bank reconciliations are done by the Finance Director.
96-2	9/30/96	Great Action Center disbursements were not properly approved.	Yes	All disbursements are approved by Executive Director.
96-3	9/30/96	Great Action Center accounts receivable and revenue were not completely reconciled.	Partially	A new Finance Director was hired and procedures have not been fully implemented.

  
 Harry L. Miller  
 Executive Director

its operation that we consider to be a material weakness. We noted other matters involving the internal control over financial reporting that we have reported to management of New Horizons, Inc. in a separate letter dated January 23, 1998.

#### ACCOUNTS RECEIVABLE

**Condition:** We noted that a detailed accounts receivable subsidiary was not being maintained for costs billed under the Organization's various grants with state and federal agencies.

**Criteria:** Grantor agencies and generally accepted accounting principles require accurate and complete records to ensure proper recording of grant funds.

**Effect:** Allowable costs may not be recovered from grantor agencies requiring New Horizons, Inc. to use program or discretionary income for grant obligations.

**Cause:** Procedures have not been developed to provide an aged detailed listing of costs billed to the various grantor agencies.

**Recommendation:** We recommend that New Horizons, Inc. maintain subsidiary ledgers for costs billed to the Organization's grantor agencies.

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

Respectfully Submitted,

*Dunsm, Deal & Debevoise*

Dunsm, Deal & Debevoise, CPAs, AICPA  
Alexandria, Louisiana  
January 23, 1998



## DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

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

Board of Directors  
New Horizons, Inc.  
Shreveport, Louisiana

We have audited the financial statements of New Horizons, Inc., as of and for the year ended September 30, 1987, and have issued our report thereon dated January 23, 1988. 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 New Horizons, 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 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*. However, we noted certain immaterial instances of non-compliance that we have reported to management of New Horizons, Inc. in a separate letter dated January 23, 1988.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered New Horizons, Inc.'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 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 the following matter involving the internal control over financial reporting, and

**SUPPLEMENTAL INFORMATION**



NEW HORIZONS, INC.  
MORRISBORO, LOUISIANA

OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

The following pages contain the report on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The paragraph on internal control structure is based solely on the audit of the financial statements and includes where appropriate, any reportable conditions and/or material weaknesses. The paragraph on compliance with laws and regulations is, likewise, based solely on the audit of the financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.

**NEW HORIZONS, INC.**  
**NOTE TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1997**  
 (continued)

The remaining annual minimum lease payments under the noncancelable operating lease existing at September 30, 1997 are:

1998	10,500
1999	10,500
2000	<u>7,825</u>
Total	<u>\$28,825</u>

**9. Mortgage Payable**

The mortgage payable to Simon, Wholesale was refinanced during the year with the line of credit from Citicorp Bank (Note 3). The balance due Simon Wholesale at June 2, 1997 was \$63,037.

**10. Functional Expenses**

Statement of Financial Accounting Standards No. 117 requires functional expenses to be reported. The functional expenses for the fiscal year ended September 30, 1997, are summarized below:

Personal Care Attended Program	\$ 35,303
Personal Independent Living Program	113,047
Medical Programs	546,234
Title VII - B	24,789
Title VII - C	103,686
Program Income	17,914
LA Rehabilitation Services - PCA Program	49,983
Deaf Action Center, Inc.	59,097
Americans with Disabilities	16,724
Traumatic Head & Spinal Cord Injury Program	<u>247,288</u>
Total	<u>\$ 1,336,369</u>

NEW HORIZONS, INC.  
 NOTE TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 1997  
 (continued)

7. **Lease Obligation**

New Horizons has entered into a lease for telephone equipment. The lease is classified as a capital lease. Accordingly, an asset has been capitalized and has the following book value at September 30, 1997:

Capitalized Cost	\$1,470.26
Accumulated Depreciation	<u>—(991.50)</u>
 Net Book Value	 <u>\$478.76</u>

Total depreciation expense for this equipment for the year ended September 30, 1997 was \$491.35. This depreciation is included in the total depreciation shown in Note 2.

The following is an analysis of the future minimum lease payments:

1998	1,057.80
1999	1,057.80
2000	1,057.80
2001	705.30
Imputed Interest	<u>(1,854.91)</u>
 Present value of lease obligation	 <u>\$2,823.69</u>

8. **Operating Lease Commitments**

The Organization has lease agreements for office space in Alexandria, Louisiana and Monroe, Louisiana. The lease agreement for office space in Alexandria is for 36 months commencing July 1, 1995. The Monroe office facility is leased on a month-to-month basis. Total rent expense for the year ended September 30, 1995, was \$18,350.

**NEW HORIZONS, INC.**  
**NOTE TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1987**  
 (continued)

**4. Contract Revenue Receivable**

Various funding sources of New Horizons, Inc., provide reimbursements of allowable costs under contracts or agreements. These balances represent amounts due from those funding sources as of September 30, 1987 but not received until after that date for the following programs:

Personal Care Assistance Program	\$ 5,065
Title VII Part C	12,239
Title VII Part B	2,742
Rural Independent Living	18,893
Americans With Disabilities Act	8,667
Medicaid Program	43,120
LRS - Personal Care Assistance	9,281
Program Income Billings	926
Deaf Action Center	6,843
Traumatic Head Injury - Spinal Cord Injury Program	<u>17,856</u>
	<b><u>\$145,692</u></b>

**5. Economic Dependency**

New Horizons, Inc. is dependent upon funding from government agencies through grants and contracts for service. A significant detrimental impact on New Horizons would occur should these governmental agencies be unable or unwilling to continue funding the budgetary needs of, or acquire services from, New Horizons.

**6. Cash and Cash Equivalents**

Cash and cash equivalents include cash in operating bank accounts and certificates of deposit with 7-day maturities.

The Organization maintains four accounts at the Citizens National Bank. Balance as September 30, 1987 are listed below:

Citizens National Bank	<b><u>\$ 18,663</u></b>
------------------------	-------------------------

All funds are insured up to \$100,000 by the FDIC.

**NEW HORIZONS, INC.**  
**NOTE TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1997**  
(continued)

**2. Furniture and Equipment**

Analysis of the furniture and equipment recorded as September 30, 1997:

	Purchased With Unrestricted Funds
Automobile	\$ 24,443
Building	127,500
Furniture and Equipment	<u>64,426</u>
Total Assets	216,369
Accumulated Depreciation	<u>64,388</u>
Net investment in property and equipment	\$ 156,800

**3. Line-of-Credit - Hibernia Bank**

New Horizons entered into a line-of-credit agreement with Hibernia Bank which provides for short-term borrowings up to \$60,000. Interest on advances is payable monthly at 2% above the prime rate. This line-of-credit is secured by a first mortgage on New Horizons' administrative office building located in Shreveport, LA. The line-of-credit is reviewed annually by the bank, and is due to expire on June 1, 1998. The outstanding balance on this line-of-credit as of September 30, 1997 was \$41,269.

**NEW HORIZONS, INC.**  
**NOTE TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 1997**  
(continued)

**1. Summary of Significant Accounting Policies (continued)**

**D. Support**

All support is considered to be available and unrestricted unless grant regulations contain legal requirements and restrictions. The grant support for fiscal year ended September 30, 1997, was received from the Louisiana Department of Social Services and U. S. Department of Education.

**E. Fractional Allocation of Expenses**

Salaries and related expenses are allocated to the various programs based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated whenever practical, or are allocated based on space utilization.

**F. Reclassifications**

Certain amounts for the year ended September 30, 1996 have been reclassified to conform with the presentation of the September 30, 1997 amounts. The reclassifications have no effect on net income for the year ended September 30, 1996.

**2. Furniture and Equipment**

Donated assets are valued at the fair market value at the time of donation. All other fixed assets are stated at cost. Depreciation is provided on a straight-line basis over estimated useful lives of the assets. Depreciation expense for the period under audit is \$18,841. The federal and state government has a reversionary interest in fixed assets purchased with these funds. The disposition as well as the ownership of any proceeds herefrom is subject to federal and state regulations.

NEW HORIZONS, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1997

**1. Summary of Significant Accounting Policies**

New Horizons, Inc. is a private nonprofit organization incorporated under the laws of the State of Louisiana. New Horizons, Inc. is governed by a Board of Directors composed of eleven members.

New Horizons, Inc. operates a community based center to provide persons with severe disabilities the opportunity to live and function as independently as possible and, when possible, acquire and maintain employment.

**A. Basis of Accounting**

The financial statements of New Horizons, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The accounts of New Horizons, Inc. are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds have been combined and presented for New Horizons, Inc. as a whole in accordance with the provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not for Profit Organizations". This statement requires the Organization 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.

**B. Income Taxes**

New Horizons, Inc. has received a letter of determination from the Internal Revenue Service advising it that it qualifies as a nonprofit corporation under Section 501 (c) (3) of the Internal Revenue Code, and therefore, is not subject to income taxes.

**C. Retirement Obligations**

The employees of New Horizons, Inc. are members of the Social Security System. There is no other retirement plans available through New Horizons, Inc.

NEW HORIZONS, INC.  
Hempstead, Louisiana

STATEMENT OF CASH FLOWS  
For The Years Ended September 30, 1977 and 1976

	1977 Unaudited \$4,000,000	1976 Unaudited \$4,000,000
<b>Cash Flows From Operating Activities:</b>		
Income (as presented) Net Assets		
Adjustments for items charged to net assets to net cash provided by operating activities:	\$ 44,000	\$ 49,675
Plus cash items included in increase in non-current net assets:		
Depreciation and amortization	10,881	9,704
Change in effect of tax accounting change	-	7,004
Change in working capital:		
Current assets:		
Receivable accounts receivable	49,140	40,000
Receivable prepaid insurance	(7,044)	(2,117)
Current liabilities:		
Accounts payable	(2,497)	3,154
Income payable	4,744	4,884
Income payable	(44)	517
Income payable	(1,728)	(18,200)
Net cash flow from operating activities	<u>112,812</u>	<u>107,127</u>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from property and equipment	<u>100,000</u>	<u>100,000</u>
Proceeds from lease financing activities	<u>10,000</u>	<u>100,000</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from notes and mortgages	76,711	76,400
Principal payments on notes and mortgages	(100,000)	(76,400)
Proceeds from lease financing activities	<u>420,150</u>	<u>100,000</u>
Net increase (decrease) in cash and cash equivalents	107,913	111,127
Cash and cash equivalents at beginning of period	<u>26,487</u>	<u>15,127</u>
Cash and cash equivalents at end of period	<u>\$ 134,300</u>	<u>\$ 126,254</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 1,700	\$ 2,000

The accompanying notes are an integral part of this statement.



**TECH CORPORATION, INC.**  
**Management's Report**

**STATEMENT OF ACTIVITIES AND FINANCES BY NET ASSETS**  
**For the Fiscal Year Ended September 30, 1997 and 1996**

	1997	1996
	Unaudited	Unaudited
	\$ in Thousands	\$ in Thousands
<b>Investments Revaluated Net Assets</b>		
Federal Reserve's Assistance	\$ 1,000,000	\$ 1,071,000
State of California - Contract	494,000	479,000
Microsoft contract	260,000	264,000
Program Services	20,000	8,000
Contributions	1,000	16,000
Interest Income	1,000	1,000
Total Investments/Revenues	<u>1,786,000</u>	<u>1,839,000</u>
<b>Expenses</b>		
Personnel	870,000	886,700
Payroll Taxes	80,000	75,000
Stocks/Benefits	80,000	80,700
Commissions	23,000	13,500
Traveling	80,000	80,000
Taxes	88,000	11,500
Printing	1,000	1,000
Vehicle Expenses/Maintenance	1,000	1,000
Telephones	11,000	11,000
Supplies	11,000	11,000
Postage	4,000	1,000
Rent and Subscriptions	2,000	1,000
Utilities	4,000	5,000
Repairs and Maintenance	4,000	11,700
Rent	14,000	160,000
Equipment Rental	4,000	-
Insurance	16,000	8,200
Legal/Outside Fees	16,000	6,000
Professional-Care Assistance	20,000	20,000
P.C. Support Fees	2,000	2,000
Interest	5,000	5,000
Depreciation	66,000	67,000
Property Taxes	2,000	-
Miscellaneous	1,000	6,000
Total Expenses	<u>1,316,000</u>	<u>1,500,000</u>
<b>Income for Unaudited</b>		
<b>Net Assets</b>	<b>470,000</b>	<b>339,000</b>
<b>Net Assets - beginning of year</b>	<b>290,000</b>	<b>1,000,000</b>
Effect of revaluation (2006) Assets resulting from an accounting change	-	-1,000
<b>Net Assets - end of year</b>	<b>1,316,000</b>	<b>1,000,000</b>

The accompanying notes are an integral part of this statement.

**NEW HARRISONS, INC.**  
 Metairie, Louisiana

**STATEMENT OF FINANCIAL POSITION**  
 September 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
	<u>Fund</u>	<u>Fund</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 18,453	\$ 26,194
Contract Revenue Receivable	144,602	185,418
Accounts Receivable - Other	1,108	1,108
Prepaid Insurance	9,731	2,727
Total current assets	<u>174,894</u>	<u>216,447</u>
Property and Equipment:		
Filing	121,588	121,588
Furniture and equipment	92,858	92,923
Accumulated Depreciation	<u>(164,388)</u>	<u>(111,869)</u>
Total Property and Equipment	<u>150,058</u>	<u>102,642</u>
<b>Total Assets</b>	<b><u>\$ 324,952</u></b>	<b><u>319,089</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 1,639	\$ 4,586
Account interest payable	254	307
Sales tax payable	13,788	—
Payroll taxes payable	13,788	4,984
Line of Credit - Interest	41,289	—
Current portion of Mortgage payable	—	9,793
Current portion of Equipment Lease payable	587	689
Total current liabilities	<u>111,554</u>	<u>30,359</u>
Long Term Liabilities:		
Mortgage payable, less current portion	—	59,158
Note payable - Equipment Lease, less current portion	3,227	3,824
Total long term liabilities	<u>3,227</u>	<u>62,982</u>
<b>Total Liabilities</b>	<b><u>114,781</u></b>	<b><u>93,341</u></b>
<b>NET ASSETS</b>		
Unrestricted Net Assets		
Trust Action Center, Inc.	—	7,004
Undesignated	<u>211,621</u>	<u>205,282</u>
Total Unrestricted Net Assets	<u>211,621</u>	<u>212,286</u>
<b>Total Net Assets</b>	<b><u>211,621</u></b>	<b><u>218,945</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 326,402</u></b>	<b><u>\$ 338,294</u></b>

The accompanying notes are an integral part of this statement.

The audit was performed for the purpose of forming an opinion on the financial statements of New Horizons, Inc. taken as a whole. The supplementary information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements of New Horizons, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Dunant, Beall & Dubreux, CPAs, APC

*Dunant, Beall & Dubreux*

Alexandria, Louisiana

January 23, 1998



## DAUZAT, BEALL & DEBEVEC, CPAs

MEMBER OF THE NATIONAL  
A PROFESSIONAL CORPORATION

### INDEPENDENT AUDITORS' REPORT

Board of Directors  
New Horizons, Inc.  
Shreveport, Louisiana

We have audited the accompanying balance sheet of New Horizons, Inc. as of September 30, 1997, and the related statements of activity and changes in cash flows for the year ended September 30, 1997. These financial statements are the responsibility of the management of New Horizons, Inc. Our responsibility is to express an opinion on these financial statements based upon our audit.

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. These 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, the financial statements referred to above present fairly, in all material respects, the financial position of New Horizons, Inc., as of September 30, 1997, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 1998, on our consideration of New Horizons, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

NEW HORIZONS, INC.  
SHREVEPORT, LOUISIANA

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**NEW HORIZONS, INC.**  
Shreveport, Louisiana

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORTS**

For the year ended September 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the court, or clerk, or receiver, 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 5-4-98