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500 American Street, Suite 1000, New Orleans, LA 70002

**GOODWILL INDUSTRIES OF ACADIANA, INC.**

**Financial Report**

**Years Ended December 31, 1987 and 1986**

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 JUL 28 1988

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**Darrall, Sikes  
& Frederick**

1114 W. UNIVERSITY BLVD., SUITE 200  
MONROE, LOUISIANA 70130

**INDEPENDENT AUDITOR'S REPORT**

Page No. 1 of 2 Date: 01/11/2011

Client: HOODWILL INDUSTRIES OF LOUISIANA, INC.  
Address: 1114 W. UNIVERSITY BLVD., SUITE 200  
MONROE, LOUISIANA 70130  
Phone: (504) 235-1111  
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Report No.: 10000000000000000000

Report Title: HOODWILL INDUSTRIES OF LOUISIANA, INC.  
Report Date: 01/11/2011  
Report Time: 10:00 AM  
Report User: [REDACTED]  
Report Status: [REDACTED]  
Report Type: [REDACTED]  
Report Version: [REDACTED]

Page No. 1 of 2

Client: HOODWILL INDUSTRIES OF LOUISIANA, INC.  
Address: 1114 W. UNIVERSITY BLVD., SUITE 200  
MONROE, LOUISIANA 70130

Report No.: 10000000000000000000  
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Report Type: [REDACTED]  
Report Version: [REDACTED]

Page No. 1 of 2

To the Board of Directors  
Hoodwill Industries of Louisiana, Inc.  
Indoyette, Louisiana

We have audited the accompanying statements of financial position of Hoodwill Industries of Louisiana, Inc. as nonprofit organizations, as of December 31, 1997 and 1998, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Hoodwill's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Hoodwill Industries of Louisiana, Inc. as of December 31, 1997 and 1998, and the changes in its net assets and cash flows for the periods then ended in conformity with generally accepted accounting principles.

In accordance with government auditing standards, we have also issued a report dated April 28, 1999, on our consideration of Hoodwill Industries of Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Report No.: 10000000000000000000  
Report Date: 01/11/2011  
Report Title: HOODWILL INDUSTRIES OF LOUISIANA, INC.  
Report User: [REDACTED]  
Report Status: [REDACTED]  
Report Type: [REDACTED]  
Report Version: [REDACTED]

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Woodliff Industries of Louisiana, Inc. taken as a whole. The accompanying schedule of expenditures of Federal awards as required by U.S. Office of Management and Budget Circular 4-113, "Audit of States, Local Governments and Non-Profit Organizations", and the supplemental information listed in the table of contents 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.

*Dannell, Silge & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
April 28, 1988

## GOODWILL INDUSTRIES OF MICHIGAN, INC.

Statement of Financial Position  
December 31, 1987 and 1986

	<u>1987</u>	<u>1986</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 138,983	\$ 86,879
Accounts receivable	141,270	188,879
Contract receivable	2,481,364	-
Other receivables	19,878	26,344
Prepaid expenses	15,384	59,517
Notes receivable - current portion	<u>8,820</u>	<u>2,808</u>
<b>Total current assets</b>	<b><u>2,705,399</u></b>	<b><u>365,427</u></b>
<b>LAND, BUILDING AND EQUIPMENT, NET</b>	<b><u>1,681,267</u></b>	<b><u>1,626,905</u></b>
<b>OTHER ASSETS</b>		
Notes receivable, less current portion	18,800	4,008
Utility deposits	<u>8,280</u>	<u>8,280</u>
	<u>18,280</u>	<u>12,288</u>
<b>TOTAL ASSETS</b>	<b><u>24,443,296</u></b>	<b><u>21,914,336</u></b>
	*****	*****
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 13,750	\$ 61,887
Payroll and related liabilities	53,743	51,918
Accrued expenses	23,433	11,039
Deferred revenue	4,800	-
Other liabilities	183,687	-
Notes payable	175,294	343,761
Current maturities of long-term debt	<u>227,820</u>	<u>45,488</u>
<b>Total current liabilities</b>	<b><u>688,527</u></b>	<b><u>854,193</u></b>
<b>LONG-TERM DEBT</b>	<b><u>169,516</u></b>	<b><u>508,432</u></b>
<b>NET ASSETS</b>		
Unrestricted	1,312,773	803,760
Temporarily restricted	<u>2,582,651</u>	<u>-</u>
<b>Total net assets</b>	<b><u>3,895,424</u></b>	<b><u>803,760</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>24,443,296</u></b>	<b><u>21,914,336</u></b>
	*****	*****

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

GEORGICAL INDUSTRIES OF AMERICA, INC.

Statements of Activities  
Years Ended December 31, 1987 and 1986

	<u>1987</u>	<u>1986</u>
<b>UNRESTRICTED NET ASSETS</b>		
Support:		
contributions	\$ 3,383	\$ 3,339
Revenue:		
Contracts	113,938	128,397
contributed goods production	1,315,423	1,594,789
evaluation and training services	495,484	382,146
interest revenue	429	1,493
Miscellaneous	<u>33,232</u>	<u>11,321</u>
	<u>1,958,734</u>	<u>1,924,006</u>
NET ASSET released from restrictions	<u>503,543</u>	<u>1,182</u>
Total support, revenue, and net assets released from restrictions	<u>2,462,277</u>	<u>1,925,188</u>
Expenses:		
Contracts	114,483	88,888
contributed goods production	812,384	474,366
evaluation and training services	554,332	424,197
Support activities - Administration	<u>314,127</u>	<u>359,815</u>
	<u>1,895,326</u>	<u>1,367,266</u>
Increase in unrestricted net assets	<u>566,951</u>	<u>5,712</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Governmental grants	1,018,000	1,000
NET ASSET released from contributions:		
restrictions satisfied by payments	<u>(503,543)</u>	<u>(1,000)</u>
Increase in temporarily restricted assets	<u>514,457</u>	<u>0</u>
Increase in net assets	<u>1,484,480</u>	<u>1,712</u>
NET ASSETS, beginning	<u>415,360</u>	<u>449,828</u>
NET ASSETS, ending	<u>\$ 1,899,740</u>	<u>\$ 451,540</u>

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

## GOODWILL INDUSTRIES OF SCOTLAND, INC.

Statements of Cash Flows  
Years Ended December 31, 1997 and 1996

	1997	1996
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 2,496,488	\$ 5,712
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	191,079	83,478
Loss on sale of assets	1,715	3,934
(Increase) decrease in operating assets -		
Accounts receivable	52,392	(8,928)
Grant receivable	(2,852,144)	-
Prepaid expenses	14,213	(18,971)
Other receivable	8,448	(12,981)
Other assets	-	3,437
Increase (decrease) in operating liabilities -		
Accounts payable	(18,188)	(8,797)
Payroll and related liabilities	18,893	4,873
Accrued expenses	12,488	(8,982)
Deferred revenue	3,438	-
Other liabilities	(60,682)	-
Net cash provided by operating activities	<u>372,222</u>	<u>118,622</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(148,184)	(855,063)
Loans made	(18,000)	-
Proceeds from repayment of note receivable	2,882	2,882
Net cash used by investing activities	<u>(163,302)</u>	<u>(852,181)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from repayments of short term borrowings	(147,180)	(43,781)
Repayment of long-term debt	(43,827)	(48,324)
Proceeds from long-term debt	38,682	38,682
Net cash provided (used) by financing activities	<u>(152,325)</u>	<u>(53,423)</u>
Net increase (decrease) in cash and cash equivalents	66,615	(126,982)
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>86,622</u>	<u>185,622</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 138,812</u>	<u>\$ 86,899</u>
Supplemental information:		
Interest paid	\$ 82,894	\$ 70,874

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

GOODHILL INDUSTRIES OF ACHESON, INC.

STATEMENTS OF OPERATIONAL EXPENSES  
 Years Ended December 31, 1957 and 1956

	Lease		Contributed Goods Production	
	Maintenance Contract	Retail	Salvage	Total
Salaries and wages	\$ 83,848	\$138,281	\$ 97,118	\$319,247
Payroll taxes and insurance	4,851	27,221	4,473	36,545
TOTAL payroll and related expenses	88,699	165,502	101,591	355,792
OTHER EXPENSES				
Material purchases	-	18,287	-	18,287
Repairs and maintenance	8,178	12,888	7,314	28,380
Supplies	4,185	23,686	3,742	31,613
Professional fees and contracted services	15,848	53,813	5,294	74,955
Promotion and entertainment	-	-	-	-
Telephone	1,818	11,893	3,792	17,503
Utilities	718	28,287	2,213	31,218
Rent	15	36,817	488	37,420
Travel and agency	1,974	883	4,804	7,661
Amortized expenses	-	14,773	-	14,773
Lease, subscriptions and licenses	188	293	84	565
Conferences and seminars	-	-	-	-
Interest	1,303	89,210	3,888	94,399
Office and miscellaneous	328	7,289	33	7,950
INSURANCE	9,169	19,244	8,887	37,299
Advertising	-	-	-	-
Bad debt	-	-	-	-
Grant expenses	-	-	-	-
Grant evaluation expense	-	-	-	-
Donation of goods	-	11,628	-	11,628
Loss on sale of assets	-	-	-	-
Total other expenses	43,151	337,785	15,665	396,601
Total expenses before depreciation	131,850	503,287	117,256	752,393
DEPRECIATION	8,626	43,544	3,826	56,006
TOTAL EXPENSES	\$140,476	\$546,831	\$121,082	\$808,385

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



Evaluation, Training and Rehabilitation	Administration	TOTAL	
		1971	1970
\$348,008	\$213,976	\$1,836,323	\$ 845,521
<u>20,273</u>	<u>17,008</u>	<u>83,718</u>	<u>75,822</u>
195,008	219,008	1,319,879	518,873
-	327	19,514	22,908
2,898	18,138	89,428	82,818
4,584	18,264	88,334	87,818
8,318	118,838	294,243	76,697
-	8,938	8,938	-
11,814	12,187	49,293	29,248
15,788	1,841	85,348	29,898
833	883	39,803	38,818
58,595	18,252	88,838	81,703
-	1,838	18,509	13,883
1,138	17,857	58,388	18,278
1,743	1,888	9,243	9,888
18,818	12,883	93,888	68,295
1,888	28,488	24,798	27,297
14,588	47,887	118,778	88,883
-	1,888	1,588	4,888
23,213	-	98,933	-
-	8,888	8,888	-
-	188,888	188,888	-
-	-	13,828	17,748
<u>          </u>	<u>1,323</u>	<u>1,323</u>	<u>1,323</u>
118,888	488,728	1,803,183	548,638
588,918	787,158	1,128,248	1,858,247
<u>22,228</u>	<u>28,883</u>	<u>108,228</u>	<u>93,833</u>
888,132	878,237	82,227,948	81,882,882
8888888	8888888	888888888	888888888

GOODWILL INDUSTRIES OF ACADIANA, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant Accounting Policies

A. Basis of Presentation

Financial statements presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, Audits of Voluntary Health and Welfare Organizations.

B. Business

Goodwill Industries of Acadiana, Inc. (Goodwill) is a not-for-profit charitable organization. Goodwill provides rehabilitation services, training and employment for the handicapped, disabled and disadvantaged of the Acadiana area by receiving contributions of discarded articles of clothing, furnishings, appliances, etc., which are processed and reconditioned for sale through their retail outlet. Directors of Goodwill receive no compensation of any kind.

C. Inventories

Purchased inventories of saleable goods are stated at cost.

It is management's practice not to inventory contributed items.

D. Land, Building and Equipment

Land, building and equipment are recorded at cost. Assets are depreciated by the straight-line method over their useful lives as follows:

Buildings and improvements	18 - 60 years
Equipment, furniture and autos	5 - 7 years

E. Income Taxes

Goodwill qualifies as a tax-exempt organization under Section 501(c)(13) of the Internal Revenue Code and, therefore has no provision for Federal income taxes. In addition, Goodwill has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 170(e)(1) of the Code.

GOODWILL INDUSTRIES OF ACHONNA, INC.

Notes to Financial Statements (Continued)

F. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 1997 and 1996.

G. Contributions

Goodwill also elected to adopt SFAS No. 116 "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

H. Bad Debts

Goodwill accounts for bad debts using the direct write-off method. Expense is recognized during the period in which a specific account is determined to be uncollectible. The effects of using this method approximate those of the allowance method.

I. Use of 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.

J. Vacation and Sick Leave

Vacation is earned after one year of employment and is calculated based on a calendar year. Upon separation, employees will be compensated for any current unused vacation. Any current unused vacation can be carried over for use in the case of an extended illness. Upon separation, an extended illness leave will be paid.

Sick leave with pay is earned at a rate of 40 hours per calendar year, commencing 75 days after employment. Sick leave

GOODWILL INDUSTRIES OF AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS (continued)

may be accumulated only for use in an extended illness. No sick leave is payable to an employee upon separation.

At December 31, 1997, the liability for compensated absences is immaterial and therefore not reflected in these financial statements.

(2) Property and Equipment

Property and equipment consist of the following:

	<u>1997</u>	<u>1996</u>
Land	\$ 499,338	\$ 499,338
Buildings and improvements	1,188,427	1,061,837
Equipment, furniture and autos	<u>508,738</u>	<u>552,838</u>
	2,096,499	2,064,003
Less: Accumulated depreciation	<u>508,132</u>	<u>422,338</u>
	<u>\$1,588,367</u>	<u>\$1,641,665</u>

(3) Notes Payable

Short term notes payable consist of the following:

	<u>1997</u>	<u>1996</u>
Note payable to Goodwill Industries - America, Inc., unsecured, due on March 15, 1997, payable in one installment, including interest at 8 percent per annum	\$ -	\$ 50,000
\$250,000 construction loan with Fibersia National Bank, due April 15, 1997, interest only payments monthly beginning November 15, 1996 at 9.25 percent per annum	-	200,000
Line of credit with Fibersia National Bank, due on demand, bearing interest at 11 percent per annum, secured by accounts receivable	190,000	-

GENERAL LEDGER OF ACHINA, INC.

Notes to Financial Statements (Continued)

220,000 line of credit with Bank One, due as demand, bearing interest at the current prime rate	-----	24,500
	\$100,000	\$243,701
	-----	-----

(4) Long-Term Debt

Long-term debt consists of the following:

	-----	1000
Notes payable to Siberson National Bank, due February 28, 2000, payable in 48 monthly installments of \$4,259, including interest at 8.00 percent per annum, and one final payment of \$100,000, secured by collateral mortgage note in the amount of \$100,000	\$345,848	\$162,113
Notes payable to Siberson National Bank, due January 1, 2000, payable in 48 monthly installments of \$400, including interest at 9.75 percent per annum, secured by equipment	21,283	-
Notes payable to Siberson National Bank, due June 30, 1999, payable in 48 monthly installments of \$270, including interest at 9.50 percent per annum, secured by a vehicle	3,182	6,378
Notes payable to Bank One, due June 30, 1999, payable in 36 monthly installments of \$2,000, including interest at 9 percent per annum, and one final payment of \$100,000, secured by collateral mortgage note in the amount of \$100,000	183,404	190,394
Notes payable to Siberson National Bank, due February 28, 2000, payable in 60 monthly installments of \$103, including interest at 9.7 percent per annum, secured by collateral mortgage note	21,878	30,873

WOODHILL INDUSTRIES OF ACADIANA, INC.

Notes to Financial Statements (Continued)

Notes payable to Siberian National Bank, due May 31, 1988, payable in 24 monthly installments of \$204, including interest at 8.75 percent per annum, secured by equipment

	\$1,084	\$1,405
	288,000	310,000
less: Current maturities	(223,488)	(40,488)
<b>Total</b>	<b>\$162,596</b>	<b>\$180,917</b>

Maturities of long-term debt for the next five years are as follows:

1988		\$237,488
1989		18,883
1990		214,371
1991		6,000
1992		428
		\$582,000

(5) Related Party Transactions

A director of Woodhill is employed by an insurance agency which provides services to Woodhill. Woodhill paid approximately \$97,139 and \$99,902, in 1987 and 1988, respectively, in premiums to insurance companies represented by this insurance agency.

Legal fees were paid to a board member for legal services rendered during 1987 and 1988 in the amount of \$-0- and \$1,577, respectively.

Life insurance is purchased from a company for which a board member is an agent. Woodhill paid approximately \$12,878 and \$-0- in 1987 and 1988, respectively, in premiums to the insurance company represented by this agent.

(6) LEASE OBLIGATIONS

In December 1984, Woodhill entered into a five year, noncancelable lease on a building. Future minimum lease payments are as follows:

1988		\$28,588
1989		18,800
1990		5,900

(7) CONCENTRATION OF CREDIT RISK

Woodhill provides rehabilitation services to certain individuals in the Acadiana region, as outlined in a contract with the State of Louisiana. The amounts receivable from the state represent 48% and 67% of the total accounts receivable at December 31, 1987 and 1988, respectively.

**REFERENCE INFORMATION**

**INTERNAL CONTROL, COMPLIANCE AND OTHER  
GRANT INFORMATION**





**Darnall, Sikes  
& Frederick**

MEMBER FIRM OF THE PEW RESEARCH CENTER

**Independent Auditor's Report on Compliance and  
an Internal Control over Financial  
Reporting Based on an Audit of  
Financial Statements Performed in  
Accordance with Government Auditing Standards**

The Board of Directors  
Goodwill Industries of Acadiana, Inc.  
Lafayette, Louisiana

REPORT NUMBER: 2008-0000000000

1101 PINE STREET, SUITE 200  
MONROE, LOUISIANA 70132  
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REPORT DATE: 04/18/08

REPORT NUMBER: 2008-0000000000  
PROJECT NUMBER: 2008-0000000000  
DATE: 04/18/08  
PERIOD OF REPORT: 12/31/07  
CLIENT: GOODWILL INDUSTRIES OF  
ACADIANA, INC.  
REPORT NUMBER: 2008-0000000000  
PROJECT NUMBER: 2008-0000000000

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DATE: 04/18/08

REPORT NUMBER: 2008-0000000000  
PROJECT NUMBER: 2008-0000000000  
DATE: 04/18/08

REPORT NUMBER: 2008-0000000000

We have audited the financial statements of Goodwill Industries of Acadiana, Inc., a nonprofit organization, as of and for the year ended December 31, 2007, and have issued our report thereon dated April 18, 2008. We have conducted our audit 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 Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

**Compliance**

As part of obtaining reasonable assurance about whether Goodwill Industries of Acadiana, Inc.'s general purpose 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 is 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 Goodwill Industries of Acadiana, 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 was to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Goodwill Industries of Acadiana, Inc.'s ability to record, process, summarize and report

REPORT NUMBER: 2008-0000000000  
PROJECT NUMBER: 2008-0000000000  
DATE: 04/18/08

financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs at Items 87-1 and 87-2.

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. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable conditions described in the Schedule of Findings and Questioned Costs at Items 87-1 and 87-2 are material weaknesses.

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

*Darnall, Sings & Frederick*

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

LEAFSPRING, LOUISIANA  
April 28, 1998



**Darnall, Sikes  
& Frederick**

1111 Independence Plaza, Suite 2000, Metairie, Louisiana 70002

**Independent Auditor's Report on Compliance with  
Requirements Applicable to Each Major  
Program and Internal Control Over Compliance  
in Accordance with OMB Circular A-133**

Report of Darnall, Sikes & Frederick, Inc.

Metairie, Louisiana 70002  
Telephone: (504) 885-1111  
Telex: 150000  
Facsimile: (504) 885-1111

August 15, 1977

Mr. J. J. [Name obscured] [Title obscured]  
[Address obscured]  
[City obscured] [State obscured] [Zip obscured]

Dear Sir:

We have audited the compliance of Woodhill Industries of Louisiana, Inc. with the requirements of OMB Circular A-133, "Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133".

The results of our audit are presented in our report which is included in this report.

We have audited the compliance of Woodhill Industries of Louisiana, Inc. with the requirements of OMB Circular A-133, "Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133".

The results of our audit are presented in our report which is included in this report.

Sincerely,  
[Signature]

The Board of Directors  
Woodhill Industries of Louisiana, Inc.  
Metairie, Louisiana

**Compliance**

We have audited the compliance of Woodhill Industries of Louisiana, Inc. in nonprofit organizations, with the types of compliance requirements described in the U.S. Office of Management and Budget, OMB Circular A-133, "Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133". Woodhill Industries of Louisiana, 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 Woodhill Industries of Louisiana, Inc.'s management. Our responsibility is to express an opinion on Woodhill Industries of Louisiana, 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, "Audits 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 requirements 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 Woodhill Industries of Louisiana, Inc.'s compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Woodhill Industries of Louisiana, Inc.'s compliance with those requirements.

In our opinion, Woodhill Industries of Louisiana, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1977.

[Signature]  
[Title obscured]  
[Address obscured]  
[City obscured] [State obscured] [Zip obscured]

## Internal Control Over Compliance

The management of Goodwill Industries of Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered Goodwill Industries of Louisiana, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with DPM Circular A-122.

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 operations that we consider to be material weaknesses.

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

*Dannell Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
April 28, 1998

GOODWILL INDUSTRIES OF AMERICA, INC.

Schedule of expenditures of Federal awards  
Year ended December 31, 1987

Program Title	Federal CFDA Number	Expenditures	Amounts to Subrecipients
Department of Health & Human Services Administration for Children and Families - Welfare Reform Research, Evaluation and National Studies	22.044	<u>212,333</u>	<u>          </u>

NOTE: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

See Note 1 to the financial statements.

See independent auditor's report.

**OTHER SUPPLEMENTAL INFORMATION**

GENERAL INQUIRIES OF ACADEMIA, INC.

Departmental Schedule of Revenues and Expenses  
Year Ended December 31, 1997

	Lease	Contributed Assets, Foundation		
	Maintenance Contract	Beaumont	Salmon	Total
REVENUES	\$251,830	\$1,147,356	\$176,366	\$1,575,552
EXPENSES	326,704	468,332	37,424	832,460
Income taxed before depreciation	61,644	679,024	138,942	1,479,610
DEPRECIATION	6,626	47,848	7,678	62,152
NET INCOME (LOSS)	\$ 55,018	\$ 631,176	\$ 131,264	\$ 1,317,458

See independent auditor's report.

<u>evaluation, Training and Rehabilitation</u>	<u>Administration</u>	<u>Total</u>
545,485	43,515,374	44,060,859
<u>348,338</u>	<u>727,752</u>	<u>1,076,090</u>
548,823	44,243,126	44,791,949
<u>348,338</u>	<u>727,752</u>	<u>1,076,090</u>
1,000,000	10,000,000	11,000,000
1,000,000	10,000,000	11,000,000



GOODWILL INDUSTRIES OF SCADIA, INC.

Summary of Corrective Action Taken on Prior Year Findings  
Year Ended December 31, 1997

94-1 Finding: Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 97-1.

**GOODWILL INDUSTRIES OF LOUISIANA, INC.**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 1997**

**Part I. Summary of Auditor's Results**

**Major Program - Identification**

Goodwill Industries of Louisiana, Inc., at December 31, 1997, had one major program: Welfare Reform Research, Evaluation and National Studies, which received funds from the Department of Health and Human Services, Administration for Children and Families.

**Major Program - Threshold**

The dollar threshold to distinguish Type A and Type B programs is \$100,000 for the year ended December 31, 1997.

**Low-Risk Auditing**

Goodwill Industries of Louisiana, Inc. is not considered a low-risk auditee for the year ended December 31, 1997.

**Auditor's Report - Financial Statements**

An unqualified opinion has been issued on Goodwill Industries of Louisiana, Inc.'s financial statements as of and for the year ended December 31, 1997.

**Auditor's Report - Major Program**

In our opinion, Goodwill Industries of Louisiana, Inc. complied, in all material respects, with the requirements that are applicable to its major federal program for the year ended December 31, 1997.

**Reportable Condition - Financial Reporting**

The following reportable conditions in internal control over financial reporting were disclosed and are considered material weaknesses:

**97-1 Inadequate Segregation of Accounting Functions**

**Finding:**

Due to the small numbers of employees, goodwill did not have adequate segregation of functions within the accounting system.

**Recommendation:**

Based upon the size of the operation and the cost-benefit of additional personnel it may not be feasible to achieve complete segregation of duties.

GOODWILL INDUSTRIES OF ACRIDORA, INC.

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 1987

Part 1 Summary of Auditor's Results (Continued)

97-3 Findings Related to Cash Accounts

Finding:

While reconciling the grant account it was noted that the cash account was not set up on the general ledger and therefore all activity was not completely recorded in the financial statements.

Recommendation:

All cash accounts opened and maintained by Goodwill should be reflected on the general ledger and reconciled monthly. This insures that all activity is reflected in the financial statements.

Material Noncompliance - Financial Reporting

The results of our tests disclose no instances of noncompliance that are required to be reported under government auditing standards.

Reportable Condition - Major Program

There is nothing to be reported in relation to reportable conditions in internal control over compliance over the major program.

Finding Related to Federal Programs

The audit did not disclose any material noncompliance or questioned costs relative to its federal programs.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

97-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small numbers of employees, Goodwill did not have adequate segregation of functions within the accounting system.

GOODWILL INDUSTRIES OF BOACORAN, INC.

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December, 1969

Part 2 Findings Relating to an Audit in Accordance with Government  
Auditing Standards (Continued)

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

BT-3 Finding Related to Cash Accounts

Finding:

While reconciling the grant account, it was noted that the cash account was not set up on the general ledger and therefore all activity was not completely recorded in the financial statements.

Recommendation:

All cash accounts opened and maintained by Goodwill should be reflected on the general ledger and reconciled monthly. This insures that all activity is reflected in the financial statements.

Part 3 Findings and Questioned Costs Relating to Federal Programs

The audit did not disclose any material noncompliance or questioned costs relative to its Federal program.

GOODWILL INDUSTRIES OF SCANDIA

Corrective Action Plan  
Year Ended December 31, 1999

Response to Finding PT-1:

No response is considered necessary.

Response to Finding PT-2:

Goodwill Industries of Scandinavia, Inc. has implemented procedures to insure that all cash accounts opened and maintained are set up on the general ledger and reconciled monthly thus verifying that all activity is reflected in the financial statements.