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**Louisiana Center for the Blind, Inc.**  
Ruston, Louisiana

Audited Financial Statements

June 30, 1999

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 JAN 12 2000.

GINGER A. ROBINSON  
CERTIFIED PUBLIC ACCOUNTANT  
QUITMAN, LOUISIANA

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 1999  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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GINGER A. ROBINSON  
CERTIFIED PUBLIC ACCOUNTANT  
4596 BEECH SPRINGS HWY  
QUITMAN, LOUISIANA

MAILING ADDRESS:  
P. O. BOX 367  
QUITMAN, LA 71268  
(318) 259-4999  
FAX (318) 259-5145

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

UNQUALIFIED OPINION ON THE BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS – NOT-FOR-PROFIT ORGANIZATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Louisiana Center for the Blind, Inc.

I have audited the accompanying balance sheet of Louisiana Center for the Blind, Inc. ( a non-profit organization) as of June 30, 1999, and the related statement of support, revenue and expenses, statement of changes in fund balances and statement of functional expenses for the year then ended. These financial statements are the responsibility of the Center's management. My responsibility is to express an opinion on these financial statements based on my audit.

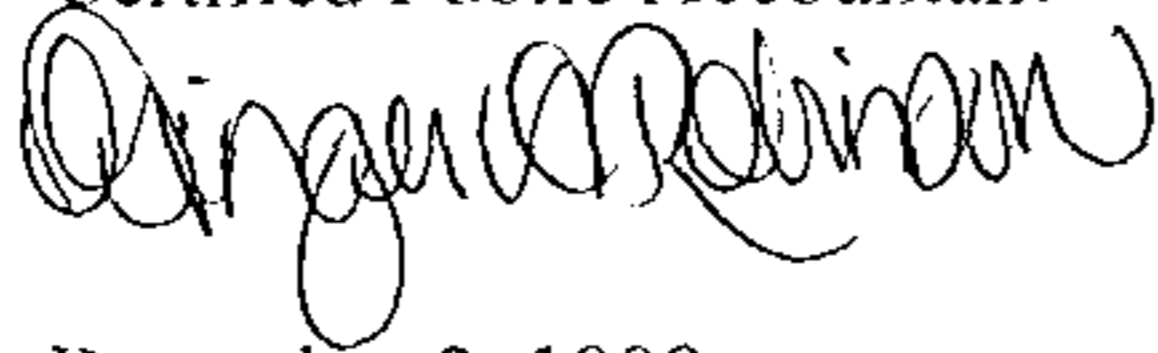
I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Center for the Blind, Inc. as of June 30, 1999, and the results of its operations and the changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 3, 1999 on my consideration of the Louisiana Center for the Blind's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the basic financial statements of Louisiana Center for the Blind, Inc. taken as a whole. The accompanying schedule 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. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

GINGER A. ROBINSON  
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Ginger A. Robinson". The signature is written in a cursive, flowing style with some loops and flourishes.

December 3, 1999

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
BALANCE SHEET  
JUNE 30, 1999

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Plant Fund</u>	<u>Total All Funds</u>
Assets:				
Cash	\$ 1,283,936	\$ 101,076	\$ -	\$ 1,385,012
Investments	100,000	-	-	100,000
Fee grants receivable	289,323	-	-	289,323
Student loans receivable	65	-	-	65
Accounts receivable - other	50,987	-	-	50,987
	<u>1,724,311</u>	<u>101,076</u>	<u>-</u>	<u>1,825,387</u>
Total current assets				
Land, buildings and equipment at cost:				
Land	-	-	57,074	57,074
Buildings	-	-	1,995,493	1,995,493
Leasehold improvements	-	-	19,067	19,067
Equipment	-	-	495,342	495,342
Transportation equipment	-	-	47,210	47,210
Accumulated depreciation	-	-	(1,162,090)	(1,162,090)
	<u>-</u>	<u>-</u>	<u>1,452,096</u>	<u>1,452,096</u>
Net land, buildings and equipment				
Other assets:				
Cash surrender value of life insurance	66,368	-	-	66,368
Prepaid expenses	-	-	-	-
Due to other funds	12,800	-	-	12,800
	<u>79,168</u>	<u>-</u>	<u>-</u>	<u>79,168</u>
Total other assets				
TOTAL ASSETS	<u>\$ 1,803,479</u>	<u>\$ 101,076</u>	<u>\$ 1,452,096</u>	<u>\$ 3,356,651</u>

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

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Plant Fund</u>	<u>Total All Funds</u>
<b>Liabilities and Fund Balance:</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 17,436	\$ -	\$ -	\$ 17,436
Accrued liabilities	3,774	-	-	3,774
Due to other funds	12,800	-	-	12,800
Notes payable	18,818	-	-	18,818
Total current liabilities	<u>52,828</u>	<u>-</u>	<u>-</u>	<u>52,828</u>
<b>Non-current Liabilities:</b>				
Notes payable, net of current portion	<u>50,429</u>	<u>-</u>	<u>-</u>	<u>50,429</u>
<b>Fund balance:</b>				
Unrestricted	1,700,222	-	1,452,096	3,152,318
Restricted	<u>-</u>	<u>101,076</u>	<u>-</u>	<u>101,076</u>
Total fund balance	<u>1,700,222</u>	<u>101,076</u>	<u>1,452,096</u>	<u>3,253,394</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 1,803,479</u></u>	<u><u>\$ 101,076</u></u>	<u><u>\$ 1,452,096</u></u>	<u><u>\$ 3,356,651</u></u>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Plant Fund</u>	<u>Total All Funds</u>
Revenues:				
Public Support:				
Fee income - Louisiana	\$ 471,873	\$ -	\$ -	\$ 471,873
Grant income (Note 5)	888,280	167,900	-	1,056,180
Fee income - other states	315,144	-	-	315,144
Fee income	<u>14,600</u>	<u>-</u>	<u>-</u>	<u>14,600</u>
Total public support	<u>1,689,897</u>	<u>167,900</u>	<u>-</u>	<u>1,857,797</u>
Other revenue:				
Shop fees	2,057	-	-	2,057
Donations	16,819	-	-	16,819
Bingo proceeds	402,500	-	-	402,500
Interest	19,209	4,311	-	23,520
Miscellaneous	<u>24,552</u>	<u>-</u>	<u>-</u>	<u>24,552</u>
Total other revenue	<u>465,137</u>	<u>4,311</u>	<u>-</u>	<u>469,448</u>
Total public support and other revenue	<u>2,155,034</u>	<u>172,211</u>	<u>-</u>	<u>2,327,245</u>
Expenses:				
Program services:				
Apartment	-	217	36	253
Training Program	893,456	-	149,079	1,042,535
Buddy Program	27,283	-	4,552	31,835
Step Program	31,677	-	5,286	36,963
Contributions	<u>113</u>	<u>-</u>	<u>19</u>	<u>132</u>
Total program services	<u>952,529</u>	<u>217</u>	<u>158,972</u>	<u>1,111,718</u>
Supporting services:				
Management and general	<u>173,352</u>	<u>-</u>	<u>28,925</u>	<u>202,277</u>
Total supporting services	<u>173,352</u>	<u>-</u>	<u>28,925</u>	<u>202,277</u>
Total expenses	<u>1,125,881</u>	<u>217</u>	<u>187,897</u>	<u>1,313,995</u>
PUBLIC SUPPORT AND OTHER REVENUE OVER (UNDER) EXPENSES	<u>\$1,029,153</u>	<u>\$ 171,994</u>	<u>\$(187,897)</u>	<u>\$ 1,013,250</u>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 1999

	Training Program	Buddy Program	Step Program
Salaries	\$ 312,483	\$ 8,442	\$ 7,577
Payroll taxes and fringe benefits	38,294	611	1,004
 Total salaries and related expenses	 350,777	 9,053	 8,581
 Rent and utilities	 50,876	 1,214	 1,137
Contract labor	10,151	5,673	7,207
Supplies	4,867	-	-
Professional fees	515	19	300
Dues	4,184	-	-
Vehicle Expense	9,419	519	500
Travel/transportation/conferences	1,798	80	564
Meals and lodging	8,207	187	4,595
Program activities	12,148	2,256	1,853
Recruitment/public relations	-	-	-
Repairs and maintenance	11,768	-	-
Printing/production/postage	7,444	204	165
Training and education	22,550	7,514	6,102
Insurance	20,846	-	-
Equipment	140	-	-
Maintenance - students	50,561	-	-
Grant expense	317,999	-	-
Interest expense	6,545	-	-
Other miscellaneous	2,661	564	673
 Total expenses before depreciation	 893,456	 27,283	 31,677
 Depreciation of property	 149,079	 4,552	 5,286
 Total expenses	 <u>\$ 1,042,535</u>	 <u>\$ 31,835</u>	 <u>\$ 36,963</u>

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



Apartment Construction Program	Contri- bution Program	Total	Supporting Services	Total All Funds
\$ -	\$ -	\$ 328,502	\$ 54,211	\$ 382,713
-	-	39,909	6,492	46,401
-	-	368,411	60,703	429,114
-	-	53,227	3,438	56,665
-	-	23,031	24,772	47,803
-	-	4,867	6,537	11,404
-	-	834	18,722	19,556
-	-	4,184	3,020	7,204
-	-	10,438	-	10,438
-	-	2,442	14,392	16,834
-	-	12,989	14,991	27,980
-	-	16,257	-	16,257
-	-	-	4,938	4,938
-	-	11,768	7,592	19,360
-	-	7,813	1,495	9,308
-	-	36,166	3,804	39,970
-	-	20,846	5,240	26,086
-	-	140	762	902
-	-	50,561	-	50,561
-	-	317,999	-	317,999
-	-	6,545	-	6,545
217	113	4,228	2,946	7,174
217	113	952,746	173,352	1,126,098
36	19	158,972	28,925	187,897
<u>\$ 253</u>	<u>\$ 132</u>	<u>\$ 1,111,718</u>	<u>\$ 202,277</u>	<u>\$ 1,313,995</u>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
STATEMENT OF CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1999

	Operating Fund	Restricted Fund	Plant Fund	Total All Funds
FUND BALANCE, JUNE 30, 1998	<u>\$ 864,558</u>	<u>\$ 100,087</u>	<u>\$ 1,278,188</u>	<u>\$ 2,242,833</u>
Prior period adjustment (Note 8)	(2,689)	-	-	(2,689)
Adjusted fund balance June 30, 1998	861,869	100,087	1,278,188	2,240,144
Public support and other revenue over (under) expenses	1,029,153	171,994	(187,897)	1,013,250
Transfers in (out)	<u>(190,800)</u>	<u>(171,005)</u>	<u>361,805</u>	<u>-</u>
FUND BALANCE, JUNE 30, 1999	<u><u>\$ 1,700,222</u></u>	<u><u>\$ 101,076</u></u>	<u><u>\$ 1,452,096</u></u>	<u><u>\$ 3,253,394</u></u>

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

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Louisiana Center for the Blind, Inc. (Center) in Ruston, Louisiana operates a training facility for blind adults. The Center works towards integrating the blind into the social and economic life of their community through training in the skills of blindness and by encouraging the development of positive attitudes about blindness. The Center receives a fixed monthly fee for each student in the program from the students home state.

Basis of Presentation

Financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Industry Audit Guide, "Audits of Voluntary Health and Welfare Organizations". The accompanying financial statement is presented on the accrual basis of accounting.

Fund Accounting

The accounts of the Center are maintained in accordance with the principles of fund accounting whereby resources are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; accordingly, all financial transactions have been recorded in the funds as follows:

The current unrestricted fund represents revenues and expenses related to the operation and management of the Center's primary programs and supporting services.

The current restricted fund represents resources available for use, but expendable only for the purposes specifically stated by the donor or grantor.

The plant fund represents the Center's investment in land, buildings and major equipment and the unexpended balance of the funds specifically restricted by the grantor for the purchase of land, buildings and major equipment.

The costs of the Center's program and supporting services have been reported on a functional basis. This requires the allocation of certain costs among the various programs and supporting services based on estimates made by management.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings and Equipment

All expenditures for land, buildings and equipment are capitalized. Depreciation is computed by the straight-line method, beginning in the month of acquisition, based on the following estimated useful lives:

Instructional buildings	20 years
Apartment complex	20 years
Student activity center	15 years
Leasehold improvements	10 years
Office Equipment	5 years
Transportation Equipment	5 years

Depreciation expense for the year ended June 30, 1999 was \$187,897. Depreciation expense is reported as program and supporting services in the "Plant Fund" in the statement of support, revenue and expenses.

Compensated Absences

Employees of the Center are entitled to paid vacations and sick days depending on length of service to the Center. It is impracticable to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Center's policy is to recognize the costs of compensated absences when paid to employees.

Support and Revenues

Certain revenues received under government grant programs are subject to audit by the providing agency. Contributions are considered to be available for unrestricted use unless specifically restricted by the grantor or the Board of Directors.

Federal Income Taxes

The Center qualifies as a tax-exempt organization under Section 501(a) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Total Columns

The accompanying balance sheet and statements of support, revenue and expenses and changes in fund balances reflect totals of all fund balances and activity. The totals are shown for memorandum purposes only and do not reflect the elimination of interfund activities using principles of consolidation.

Investments

Investments are presented in the financial statements in the aggregated at the lower of cost or fair market value.

Gains and losses on disposition of investments are considered elements of revenue and expense when realized. Write-downs of cost due to market declines are made only when they are determined by the Center to be permanent.

Cash and Cash Equivalents

The Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - CASH AND CASH EQUIVALENTS

At year end, the carrying amount of the Center's deposits was \$1,385,012, and the bank balance was \$937,436. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 200,000
Securities pledged in the entity's name	<u>526,205</u>
Total collateralized	726,205
Bank balance	<u>937,436</u>
Under collateralized	<u><u>\$ 211,231</u></u>

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Under state law, these deposits must be secured by federal deposit insurance (FDIC) or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

NOTE 3 - INVESTMENTS

Investments consist of the following:

	Cost	Market
Janus Worldwide Fund	\$ 50,000	\$ 56,953
T Rowe Price Science & Technology Fund	50,000	59,745
Totals	<u>\$ 100,000</u>	<u>\$ 116,698</u>

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

For the year ending June 30, 1999:

	Cost	Accumulated Depreciation	Net
Land	\$ 57,074	\$ -	\$ 57,074
Auto/Transportation Equipment	47,210	31,763	15,447
Buildings & Improvements	2,014,560	714,518	1,300,042
Machinery & Equipment	484,309	415,497	68,812
Furniture & Fixtures	11,033	312	10,721
Totals	<u>\$ 2,614,186</u>	<u>\$ 1,162,090</u>	<u>\$ 1,452,096</u>

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 5 - GRANT INCOME

The following was included in Grant Income for the year ended June 30, 1999:

<u>Grantor/Purpose</u>	
Federal Grants:	
Department of Education, Office of Special Educational Services	\$ 48,535
Purpose: Training teacher aides to serve as paraprofessionals in the delivery of educational services to blind/visually impaired children under the supervision of a contracted VI teacher/consultant	
Department of Education, Office of Special Educational Services	62,456
Purpose: Early intervention services for blind/visually impaired toddlers/infants	
Department of Education, Office of Special Educational Services	26,072
Purpose: Training young adults in Braille, cane travel, independent living skills, computer literacy, socialization skills and increasing working and leadership skills	
State of Louisiana, Department of Social Services, Louisiana Rehabilitation Services	64,982
Purpose: Providing an informational brochure and a dial-in Newline and Information Service for the blind in La.	

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 5 - GRANT INCOME (Continued)

State of Louisiana, Department of Social Services,  
Louisiana Rehabilitation Services \$ 8,769

Purpose: For the implementation of a Job Information Line to provide individuals who are blind, visually impaired or deaf-blind access to job information and job listings statewide through use of their own telephones

State of Louisiana, Department of Social Services,  
Louisiana Rehabilitation Services 108,852

Purpose: For the implementation of a training program to prepare specialists of orientation and mobility to teach blind and visually impaired individuals to travel safely and independently using the long white cane

State of Louisiana, Department of Social Services,  
Louisiana Rehabilitation Services 37,589

Purpose: For the implementation of a training program to prepare specialists of orientation and mobility to teach blind and visually impaired individuals to travel safely and independently using the long white cane (O & M Long-term grant)

State of Louisiana, Department of Social Services,  
Louisiana Rehabilitation Services 171,498

Purpose: For the establishment of a Service Industry Training (SITE) Program to train and place ten individuals who are blind and/or visually impaired in the customer service industry



LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 5 - GRANT INCOME (Continued)

State of Louisiana, Department of Social Services, Louisiana Rehabilitation Services	\$ 327,427
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Purpose: For the establishment of a residential facility to provide services (transition to work programs; diabetes management for blind diabetics; workshops for parents of blind children, teachers of the visually impaired, para-professionals and professionals; college readiness skills; assistive technology information; collaboration opportunities among blind organizations) to meet the identified needs of blind and deaf/blind consumers and professionals

Total federal grants	856,180
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State Grants:

State of Louisiana, Treasurer of the State	200,000
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Purpose: Act 19 of the 1998 Regular Legislative Session provides for fiscal year 1998-99 for the use as match funding for Louisiana Tech University for instructor training

Total state grants	200,000
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Total grant income	\$ 1,056,180
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NOTE 6 - DONATED RENT

The Center receives use of its operations center rent free from the National Federation of the Blind of Louisiana, Inc. The National Federation of the Blind purchased the building under a grant which restricts its use to services provided for the benefit of the blind. As the building can only be used for a specific purpose, the Center is not charged rent for the use of the operations center. The value of this agreement has not been measured, and, therefore, is excluded from the financial statements.

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 7 - LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 1999:

American Bank, 8.3% note, originally due in 62 payments of \$2,000 per month through November, 2002, secured	\$ 69,247
Less: current portion	<u>18,818</u>
Net long-term debt	<u><u>\$ 50,429</u></u>

Schedule of aggregate maturities of long-term debt for the next five years ending after June 30, 1999 are approximately as follows:

2000	\$ 18,818
2001	20,482
2002	22,294
After	<u>7,653</u>
Total	<u><u>\$ 69,247</u></u>

NOTE 8 - PRIOR PERIOD ADJUSTMENTS

As noted in the Statement of Changes in Fund Balances, beginning Fund Balance is adjusted to correct the previous years accounts receivable account. The accounts receivable account was incorrectly stated, which caused net income to be misstated at June 30, 1998.

At June 30, 1999, a prior period adjustment was made as follows:

Beginning fund balance	<u>Operating Funds</u> \$ 864,558
Prior period adjustment: Accounts receivable	<u>(2,689)</u>
Beginning fund balance, as restated	<u><u>\$ 861,869</u></u>

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 9 - TRANSFERS IN/OUT

The transfers in/out are for funds transferred in the normal course of business when funds are not available for the various programs. The individual funds with balances at June 30, 1999, are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Operating Funds:		
General	\$ 7,454	\$ 109,605
Contributions	-	131,195
Step	6,000	-
Buddy	36,546	-
Restricted Funds:		
Apartment construction	-	171,005
Plant Fund	<u>361,805</u>	<u>-</u>
Totals	<u>\$ 411,805</u>	<u>\$ 411,805</u>

SUPPLEMENTAL INFORMATION

**GINGER A. ROBINSON**  
CERTIFIED PUBLIC ACCOUNTANT  
4596 BEECH SPRINGS HWY  
QUITMAN, LOUISIANA

MAILING ADDRESS:  
P. O. BOX 367  
QUITMAN, LA 71268  
(318) 259-4999  
FAX (318) 259-5145

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Louisiana Center for the Blind, Inc.

I have audited the financial statements of Louisiana Center for the Blind, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated December 3, 1999. I conducted my 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 Center for the Blind, Inc.'s financial statements are free of material misstatement, I 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. *The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.*

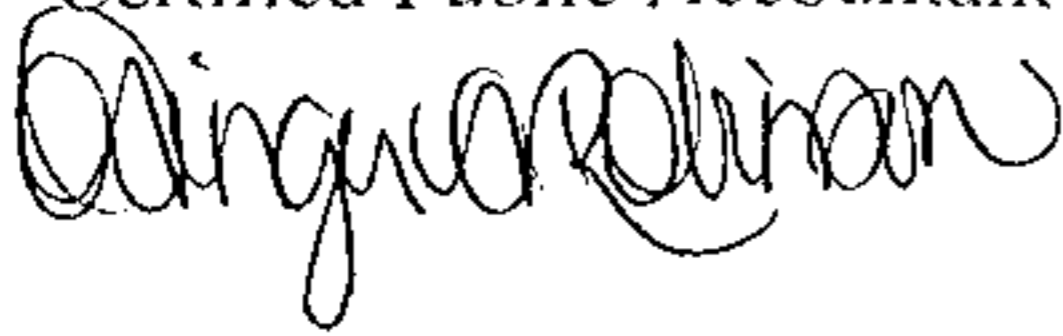
**Internal Control over Financial Reporting**

In planning and performing my audit, I considered Louisiana Center for the Blind, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Louisiana Center for the Blind, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as Item 99-1.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

GINGER A. ROBINSON  
Certified Public Accountant

A handwritten signature in black ink, appearing to read "Ginger A. Robinson", written in a cursive style.

December 3, 1999

**GINGER A. ROBINSON**  
CERTIFIED PUBLIC ACCOUNTANT  
4596 BEECH SPRINGS HWY  
QUITMAN, LOUISIANA

MAILING ADDRESS:  
P. O. BOX 367  
QUITMAN, LA 71268  
(318) 259-4999  
FAX (318) 259-5145

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors  
Louisiana Center for the Blind, Inc.  
Ruston, Louisiana

**Compliance**

I have audited the compliance of Louisiana Center for the Blind, Inc. 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 each of its major federal programs for the year ended June 30, 1999. Louisiana Center for the Blind, Inc.'s major federal programs are 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 each of its major federal programs is the responsibility of Louisiana Center for the Blind, Inc.'s management. My responsibility is to express an opinion on Louisiana Center for the Blind, Inc.'s compliance based on my audit.

I conducted by 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Louisiana Center for the Blind, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Louisiana Center for the Blind, Inc.'s compliance with those requirements.

In my opinion, Louisiana Center for the Blind, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

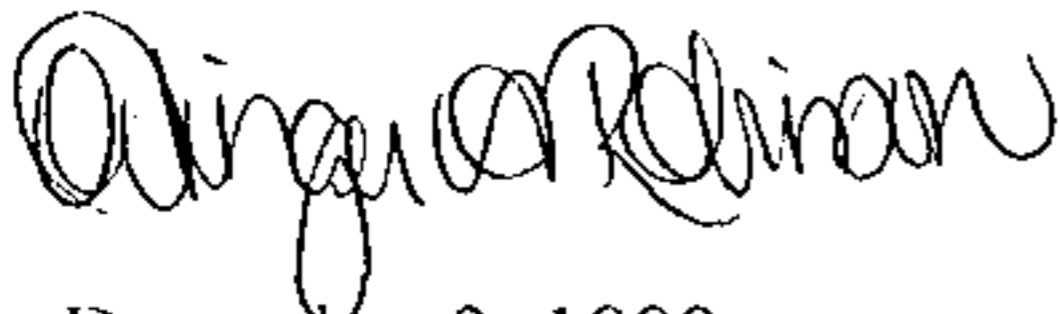
**Internal Control Over Compliance**

The management of Louisiana Center for the Blind, 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 my audit, I considered Louisiana Center for the Blind, Inc.'s internal control over compliance with requirements that could have a direct and material effect of a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of 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. I noted no matters involving internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors of Louisiana Center for the Blind, Inc. and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

GINGER A. ROBINSON  
Certified Public Accountant



December 3, 1999



LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999

Federal/Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass Through Number	Program or Award Amount	Federal Expenditures
UNITED STATES DEPT OF EDUCATION:				
PASS THROUGH LOUISIANA REHABILITATION SERVICES:				
Social Services Newslines	84.177A	513934	\$ 56,300 75,300	
Total Newslines			<u>1,238,003</u>	73,035
Social Services Jobline	84.177A	524529	30,069 30,069	
Total Jobline			<u>60,138</u>	7,647
Social Services/Orientation & Mobility (E&I)	84.263A	516093	119,923 95,509	
Total O & M			<u>215,432</u>	112,874
Social Services/Orientation & Mobility (L/term)	84.263A	532056	97,422 99,642	
Total O & M Long-Term			<u>197,064</u>	37,589
Social Services/Service Industry Training & Employment (SITE) Program	84.263A	538908	415,669	171,968
Social Services/Residential Facility/Apartments	84.263A	530776	<u>349,700</u>	<u>373,000</u>
Total Louisiana Rehabilitation Services			<u>2,476,006</u>	<u>776,113</u>
PASS THROUGH LOUISIANA DEPARTMENT OF EDUCATION				
Part H Infant/Toddler (Step)	84.181	98-IH-XD-S	69,594	62,456
VI Teacher/Consultant	84.027	98-IB-XD-S2	52,100	48,377
Special Education Services Grant (Buddy)	84.027	98-IB-XD-S	<u>26,573</u>	<u>27,198</u>
Total Louisiana Department of Education			<u>148,267</u>	<u>138,031</u>
Total Direct			<u>2,624,273</u>	<u>914,144</u>
TOTAL FEDERAL AWARDS			<u>\$ 2,624,273</u>	<u>\$ 914,144</u>

NOTE: The above schedule was prepared using the accrual method of accounting.

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 1999

I have audited the financial statements of Louisiana Center for the Blind, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated December 3, 1999. I conducted my 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, and the provisions of OMB Circular A133. My audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

**SECTION I SUMMARY OF AUDITOR'S REPORTS**

*a. Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No  
 Compliance

Compliance Material to Financial Statements  Yes  No

*b. Federal Awards*

Internal Control

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No  
 Type of Opinion On Compliance      Unqualified       Qualified

For Major Programs      Disclaimer       Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?  
 Yes  No

*c. Identification of Major Programs:*

CFDA Number (s)	Name of Federal Program (or Cluster)
84.263A	Louisiana Rehabilitation Services (cluster)
84.027A	Louisiana Department of Education (cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?  Yes  No

LOUISIANA CENTER FOR THE BLIND, INC.  
RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

**SECTION II**

Findings relating to the financial statements required to be reported under Generally Accepted Governmental Auditing Standards:

**Finding 1999-1:**

Statement of Condition:

Upon confirming securities pledged with the Center's financial institution, I noticed that the bank balance of deposits was under collateralized, as noted in footnote 2 of the financial statements.

Criteria:

Pursuant to La. R.S. 1225, the amount of the security shall at all times be equal to one hundred percent of the amount on deposit to the credit of each depositing authority.

Effect of Condition:

The Center has a large amount of under collateralized funds.

Recommendation:

The Center should have the financial institution pledge securities for the excess amount of deposits over the federal deposit insurance (FDIC) amount.

**SECTION III**

Findings and questioned costs for Federal Awards, including audit findings as required in Section .510(a):

There were no findings for this section for the year ended June 30, 1999.

**LOUISIANA CENTER FOR THE BLIND, INC.**

101 South Trenton Street  
Ruston, Louisiana 71270  
318-251-2891

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 1999**

**RESPONSE TO FINDINGS**

FINDING 1999-1

The financial institution failed to increase the amount of pledged securities at June 30, 1999. However, this has been brought to their attention and will be corrected.

Contact Person: Joanne Wilson, Director

Corrective Action Planned: To increase securities pledged with financial institution.

Anticipated Completion Date: January 15, 2000

LOUISIANA CENTER FOR THE BLIND, INC.  
 RUSTON, LOUISIANA  
 SCHEDULE OF PRIOR YEAR FINDINGS  
 FOR THE YEAR ENDED JUNE 30, 1999

<b>SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
1998-1 The balance of bank deposits was under collateralized.	Unresolved: See finding 1999-1
<b>SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
1998-2 Requests for reimbursement were completed and mailed to the Dept of Education; however, reimbursement was not received for two requests. No follow-up was made.	Resolved