

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

FINANCIAL REPORT

June 30, 2002

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

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June 30, 2002

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit organization) as of June 30, 2002 and 2001, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** as of June 30, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2002 on our consideration of the organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
July 30, 2002

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 304,589	\$ 289,620
Investments	393,259	397,944
Accounts receivable, net	187,172	242,490
Other assets	<u>13,107</u>	<u>13,107</u>
Total current assets	898,097	943,161
PROPERTY AND EQUIPMENT, net	<u>933,074</u>	<u>929,353</u>
Total assets	<u>\$ 1,831,171</u>	<u>\$ 1,872,514</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 17,419	\$ 12,280
Accrued expenses	<u>63,138</u>	<u>61,267</u>
Total liabilities	<u>80,557</u>	<u>73,547</u>
NET ASSETS		
Board designated, personnel	300,000	397,944
Undesignated	<u>1,450,614</u>	<u>1,401,023</u>
Total net assets	<u>1,750,614</u>	<u>1,798,967</u>
Total liabilities and net assets	<u>\$ 1,831,171</u>	<u>\$ 1,872,514</u>

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

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
REVENUE AND SUPPORT		
Vocational services	\$ 442,573	\$ 389,552
Service contracts	1,316,169	1,191,745
WCRC	408,736	374,700
Other	<u>4,594</u>	<u>23,141</u>
 Total revenue and support	 <u>2,172,072</u>	 <u>1,979,138</u>
 EXPENSES		
Program services:		
Vocational services	520,947	472,215
Service contracts	994,934	869,372
WCRC	378,470	338,153
General and administrative	<u>326,074</u>	<u>293,680</u>
 Total expenses	 <u>2,220,425</u>	 <u>1,973,420</u>
 (Decrease) increase in net assets	 (48,353)	 5,718
 NET ASSETS		
Beginning of year	<u>1,798,967</u>	<u>1,793,249</u>
 End of year	 <u>\$ 1,750,614</u>	 <u>\$ 1,798,967</u>

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

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	\$ (48,353)	\$ 5,718
Adjustments to reconcile increase in net assets:		
Depreciation	81,636	77,364
(Decrease) increase in allowance for doubtful accounts	(4,597)	4,326
Loss on sale of property	16,661	-
Change in operating assets and liabilities:		
Accounts receivable and other assets	59,914	(92,633)
Accounts payable and accrued expenses	<u>7,011</u>	<u>10,617</u>
Net cash provided by operating activities	<u>112,272</u>	<u>5,392</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in investments	4,685	(111,990)
Proceeds from sale of assets	4,671	-
Fixed asset acquisitions	<u>(106,689)</u>	<u>(61,325)</u>
Net cash used by investing activities	<u>(97,333)</u>	<u>(173,115)</u>
Net increase (decrease) in cash	14,939	(167,723)
CASH		
Beginning of year	<u>289,620</u>	<u>457,343</u>
End of year	<u>\$ 304,559</u>	<u>\$ 289,620</u>

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

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

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

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

LIFTD primarily operates in the Baton Rouge and Lafayette areas.

Basis of presentation

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

LIFTD reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. LIFTD does not have any temporarily or permanently restricted net assets at June 30, 2002 and 2001.

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts and depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

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

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

Investments

Investments, other than time certificates of deposit, have been recorded at market value, with the amount of unrealized gain or loss recorded net in the statement of activities.

Time certificates of deposit are recorded at cost which approximates market value.

Accounts receivable

Accounts receivable represents fees for service contracts due from governmental units and agencies. The allowance for doubtful accounts was \$3,644 and \$8,243 at June 30, 2002 and 2001.

Property, equipment and depreciation

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

Investment Income

Investment income includes income earned on investments, the realized net gain and/or loss from trade of investments, and the unrealized gain and/or loss resulting from market value fluctuations relative to cost. All investment income is unrestricted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted support

LIFTD received support from Louisiana agencies to expend on job development, and property and equipment acquisitions. When the program restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Accordingly, since the restrictions of temporarily restricted support of \$730,654 and \$517,352 were met during the years ended June 30, 2002 and 2001, respectively, such support has been shown as unrestricted.

Revenue recognition

LIFTD records service contract revenue as services are rendered.

Vacation and sick leave

Vacation and sick leave are earned at varying rates from 8 to 15 hours per month depending on length of service. A maximum of three days of unused leave can be carried over at December 31. Accordingly, amounts related to such leave have been accrued at June 30, 2002 and 2001.

Income taxes

The Corporation is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Fair value financial instruments

The carrying value of cash, receivables and payables approximate fair value due to the short-term maturity of these instruments.

NOTE 2 - INVESTMENTS

Investments are made in various mutual funds and certificates of deposit. Investments at June 30, 2002 are as follows:

	Cost	Market Value
Mutual funds	\$ 82,162	\$ 56,874
Certificates of deposit	330,072	336,385
	\$ 412,234	\$ 393,259

NOTE 2 - INVESTMENTS (CONTINUED)

The following schedule summarizes the investment return.

	2002	2001
Interest and dividends	\$ 15,552	\$ 27,902
Realized gains	229	6,008
Unrealized losses	(16,808)	(8,955)
	\$ (1,027)	\$ 24,955

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment, related service lives, and accumulated depreciation at June 30, 2002 and 2001, are as follows:

	Estimated Service Lives	2002	2001
Land		\$ 17,500	\$ 33,500
Building	7 - 30 years	1,053,291	1,059,291
Furniture and equipment	5 - 10 years	470,903	393,652
Leasehold improvements	5 years	31,670	30,880
Vehicles	3 - 5 years	198,719	170,070
Property and equipment		\$ 1,772,083	\$ 1,687,393
Accumulated depreciation		(839,009)	(758,040)
		\$ 933,074	\$ 929,353

Depreciation expense was \$81,636 and \$77,364 for the years ended June 30, 2002 and 2001, respectively.

NOTE 4 - ECONOMIC DEPENDENCY

LIFTD derives its revenues from governmental sources as earned revenue or grants, the loss of which would have a material adverse effect. During the years ended June 30, 2002 and 2001, revenue derived from governmental sources accounted for approximately 99% of total revenue, and accounts receivable at year-end were related to such revenues.

NOTE 5 - RELATED PARTY

LIFTD incurred \$2,962 and \$4,219 of accounting software support expenses during the year ended June 30, 2002 and 2001, respectively. A LIFTD director is employed by the accounting firm that supplied the software support.

NOTE 6 - PENSION PLAN

LIFTD has a money purchase pension plan covering substantially all employees. Employees are 100% vested in their contributions; employer contributions are vested over five years.

LIFTD funded \$29,287 and \$21,309 of contributions during the years ended June 30, 2002 and 2001, respectively.

NOTE 7 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which subject LIFTD to concentrations of credit risk consist primarily of investments in mutual funds and receivables. In addition, LIFTD typically maintains cash and certificates of deposit in local banks, which may, at times, exceed the FDIC limits.

NOTE 8 - LEASE COMMITMENTS AND RENT EXPENSE

LIFTD leases office space under an operating lease for its Lafayette office. Rental expense was \$19,956 for the lease included in the statements of activities for the years ended June 30, 2002 and 2001. As of June 30, 2002, future minimum lease payments required under that operating lease was \$19,956 for 2003.

Special Independent Auditors' Reports

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

June 30, 2002



**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
Louisiana Industries for the Disabled, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit organization) as of and for the year ended June 30, 2002, and have issued our report thereon dated July 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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 is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2002-1.

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. Our 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, we consider item 2002-1 in the accompanying schedule of findings and questioned costs to be a material weakness.

This report is intended solely for the information and use of the management of the organization, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
July 30, 2002



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

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

Compliance

We have audited the compliance of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit organization) with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to its major federal program for the year ended June 30, 2002. **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s management. Our responsibility is to express an opinion on **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the organization's compliance with those requirements.

In our opinion, **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control over Compliance

The management of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s internal control over compliance with requirements that could have a

direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2002-1.

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 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. Our consideration of the internal control over compliance 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, we consider item 2002-1 in the accompanying schedule of findings and questioned costs to be a material weakness.

This report is intended solely for the information and use of the management of the organization, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Fault & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
October 7, 2002

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2002

Grantor/State Pass-through/Program name/ Location of Project	CFDA Number	Grant Amount	Balance July 1	Federal Receipts	Federal Expenditures	Balance June 30
Non-Major Programs						
Department of Housing and Urban Development/City of Baton Rouge/Parish of East Baton Rouge/Emergency Shelter	14.231	\$ -	\$ 2,827	\$ 28,356	\$ 29,931	\$ 4,402
Department of Housing and Urban Development/Louisiana Department of Social Services/Office of Community Development/Supportive Housing Program	14.235	-	13,435	66,136	62,052	9,352
Major Program						
Department of Health and Human Services/ Louisiana Department of Social Services/Office of Family Support/Temporary Assistance for Needy Families/Family Independence Work Program	93.558	288,000	62,010	324,360	288,000	25,650
Total Federal Awards		\$	\$ 78,272	\$ 418,852	\$ 379,984	\$ 39,404

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Louisiana Industries for the Disabled, Inc. (LIFTD) Schedule of Expenditures of Federal Awards presents the activity of the federal financial assistance programs of LIFTD. All federal financial awards received directly from federal agencies as well as federal financial awards passed-through other government agencies are included on the schedule.

Basis of Accounting

LIFTD's Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to LIFTD's financial statements for the year ended June 30, 2002.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2002

1) Summary of Auditors' Results:

- a) The type of report issued on the basic financial statements: **Unqualified opinion.**
- b) Reportable conditions in internal control disclosed by the audit of Financial Statements: **2002-1.**
Material weaknesses: **2002-1.**
- c) Noncompliance which is material to the basic financial statements: **None.**
- d) Reportable conditions in internal control over major programs: **2002-1.**
- e) The type of report issued on compliance for major programs: **Unqualified opinion.**
- f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **2002-1.**
- g) Major Program:
 - i) U. S. Department of Health and Human Services
Louisiana Department of Social Services
Office of Family Support
Temporary Assistance for Needy Families
Family Independence Work Program
CFDA No. 93.558
 - h) Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000.**
 - i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No.**
- 2) Findings relating to the financial statements reported in accordance with Government Auditing Standards: **2002-1.**
- 3) Findings and questioned cost relating to federal awards: **2002-1.**

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2002

2002-1 -- Segregation of Duties

Finding:

There is not sufficient segregation of duties to have effective internal control over financial reporting. The finding results from the small size of the organization. These limitations allow no opportunity for meaningful segregation of duties.

Recommendation:

No action recommended.

Management's corrective action plan:

Due to the size of the organization, the achievement of adequate segregation of duties is desirable to management but is cost prohibitive. Based on a review of personnel responsibility, LIFTD would need an additional employee in finance to achieve adequate segregation of duties. As a result, we are in agreement with the recommendation.

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

SCHEDULE OF PRIOR YEAR FINDINGS

For the year ended June 30, 2002

2001-2 – Segregation of Duties

Finding:

This finding has been reclassified at finding 2002-1.



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

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

Our report on our audit of the basic financial statements of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit corporation) for the year ended June 30, 2002 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Functional Expenses and the statistical information included on pages 21 and S-1 through S-5 for the year ended June 30, 2002, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
July 30, 2002

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

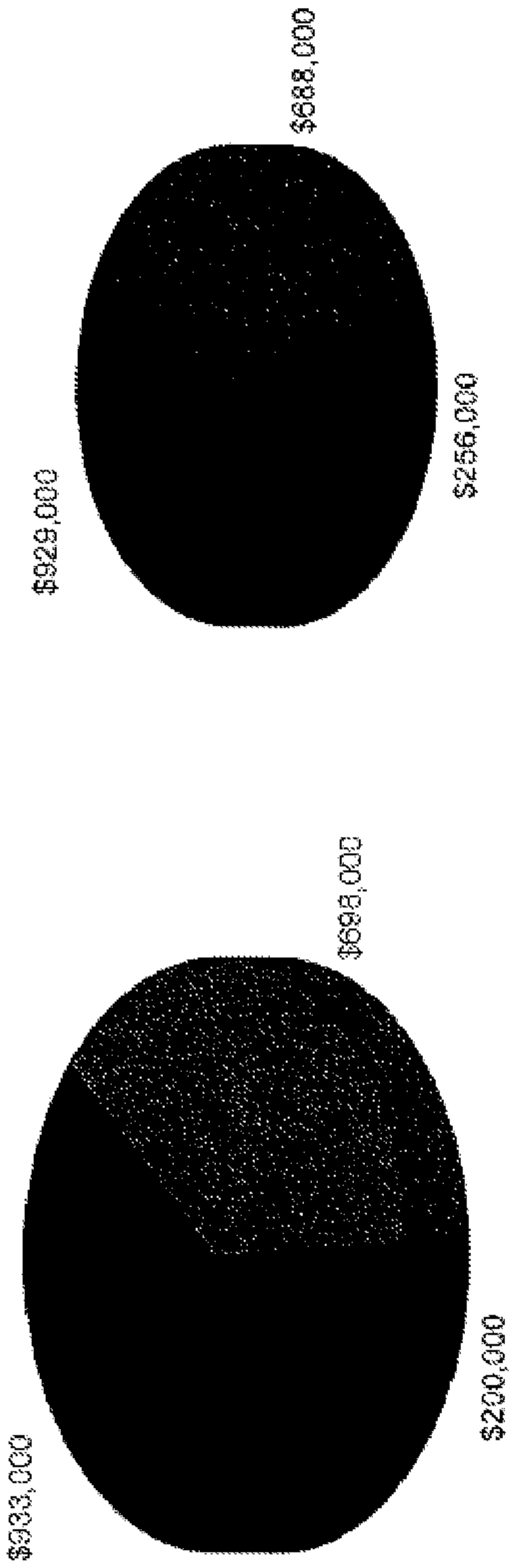
SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2002

	Vocational Services	Service Contracts	WCRC	General and Administrative	Totals	
					Memorandum Only 2002	2001
EXPENSES						
Salaries	\$ 308,072	\$ 586,013	\$ 247,514	\$ 163,276	\$ 1,304,675	\$ 1,209,250
Payroll taxes	23,060	43,668	18,402	12,191	97,321	90,153
Fanitorial supplies and contracts	19,257	176,999	-	6,645	202,901	142,651
Insurance	29,423	68,079	8,795	59,628	156,925	138,024
Depreciation	40,036	27,941	9,233	4,426	81,636	77,364
Automobile	12,378	36,920	9,150	10,518	58,966	40,105
Utilities and telephone	18,992	10,566	14,614	4,940	49,112	47,998
Training	11,902	3,807	1,269	21,025	37,983	29,234
Rent and leases	30,217	4,018	-	1,429	35,664	42,458
Rehabilitation supplies and contracts	814	-	28,412	-	29,226	30,772
Retirement match	5,907	15,147	3,511	4,722	29,287	21,310
Office supplies	11,285	3,599	4,092	10,459	29,445	28,778
Professional	80	8,259	405	20,877	29,621	33,665
Repairs and maintenance	106	11,558	2,151	2,027	15,842	5,644
Travel and entertainment	2,190	-	2,777	1,546	6,513	1,904
Equipment	1,649	2,900	378	-	4,927	4,881
Postage and freight	826	360	607	344	2,637	2,708
Subscriptions and memberships	748	249	75	1,348	2,420	2,616
Other	4,005	4,351	27,285	9,683	45,324	31,920
Total expenses	\$ 520,947	\$ 994,934	\$ 378,470	\$ 376,874	\$ 2,229,425	\$ 1,973,429

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

TOTAL ASSETS



JUNE 30, 2002

JUNE 30, 2001

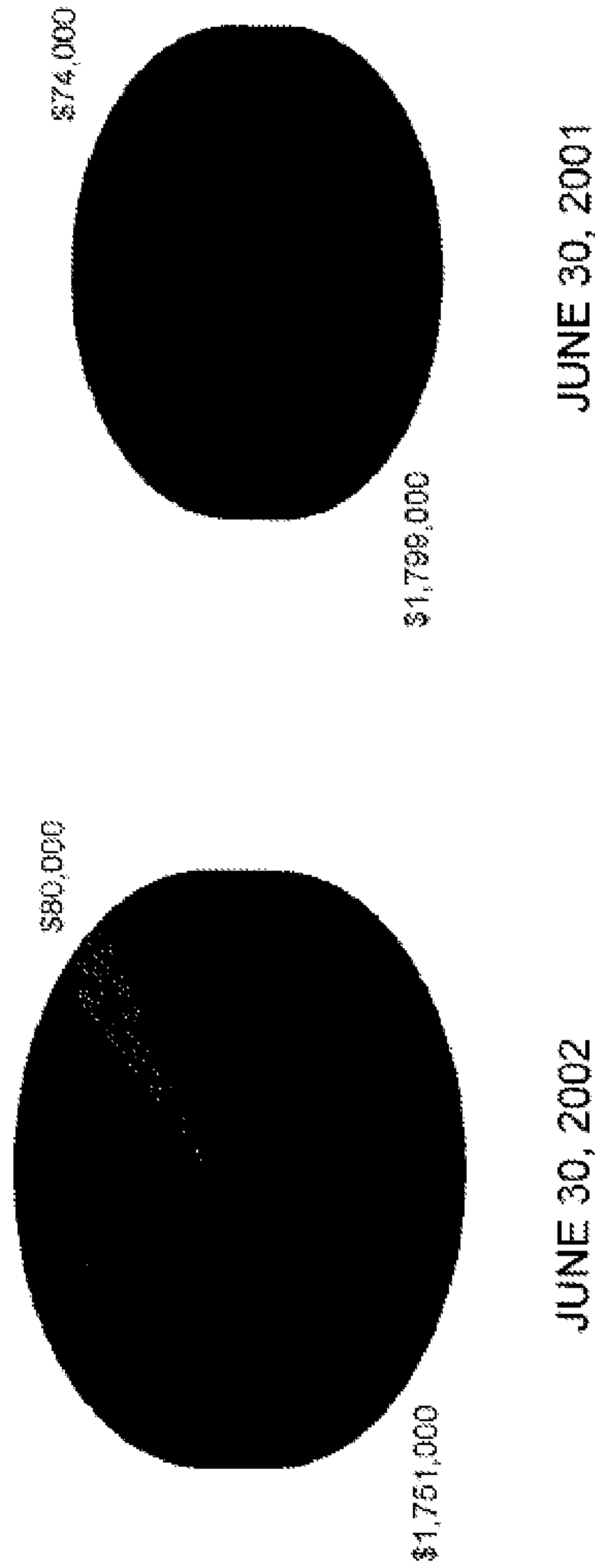
- CASH AND INVESTMENTS
- ACCOUNTS RECEIVABLE - NET AND OTHER
- PROPERTY AND EQUIPMENT - NET

TOTAL ASSETS = \$ 1,831,000

TOTAL ASSETS = \$ 1,873,000

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

LIABILITIES AND NET ASSETS

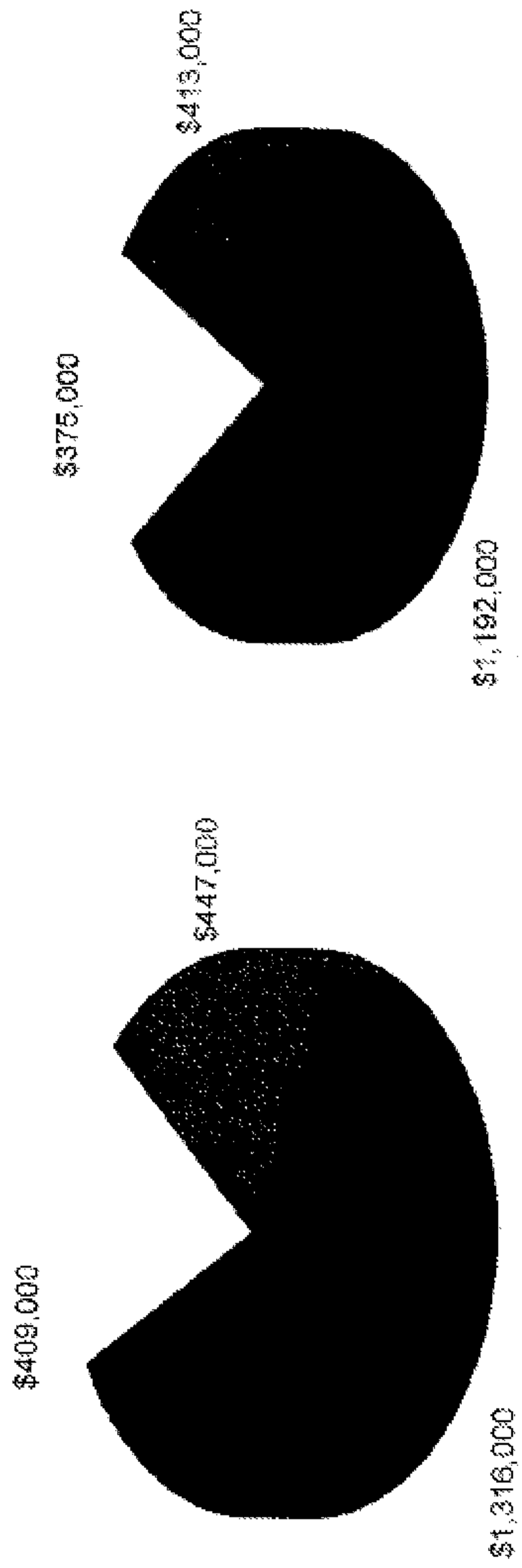


■ ACCOUNTS PAYABLE & ACCRUED EXPENSES

■ NET ASSETS

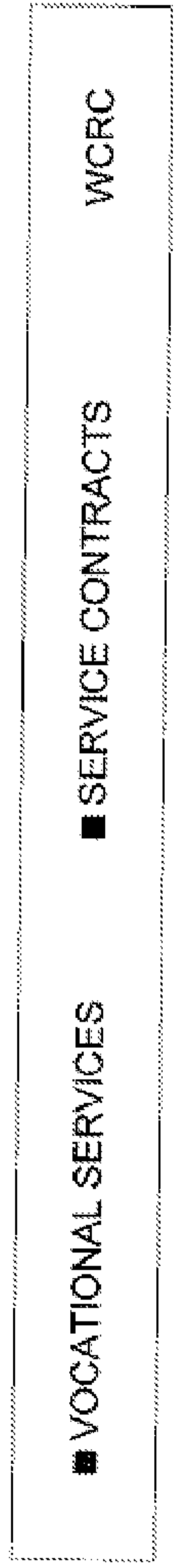
TOTAL LIABILITIES = \$ 80,000 TOTAL LIABILITIES = \$ 74,000
 TOTAL NET ASSETS = \$ 1,751,000 TOTAL NET ASSETS = \$ 1,799,000

LOUISIANA INDUSTRIES FOR THE DISABLED, INC. SUPPORT AND REVENUE



JUNE 30, 2002

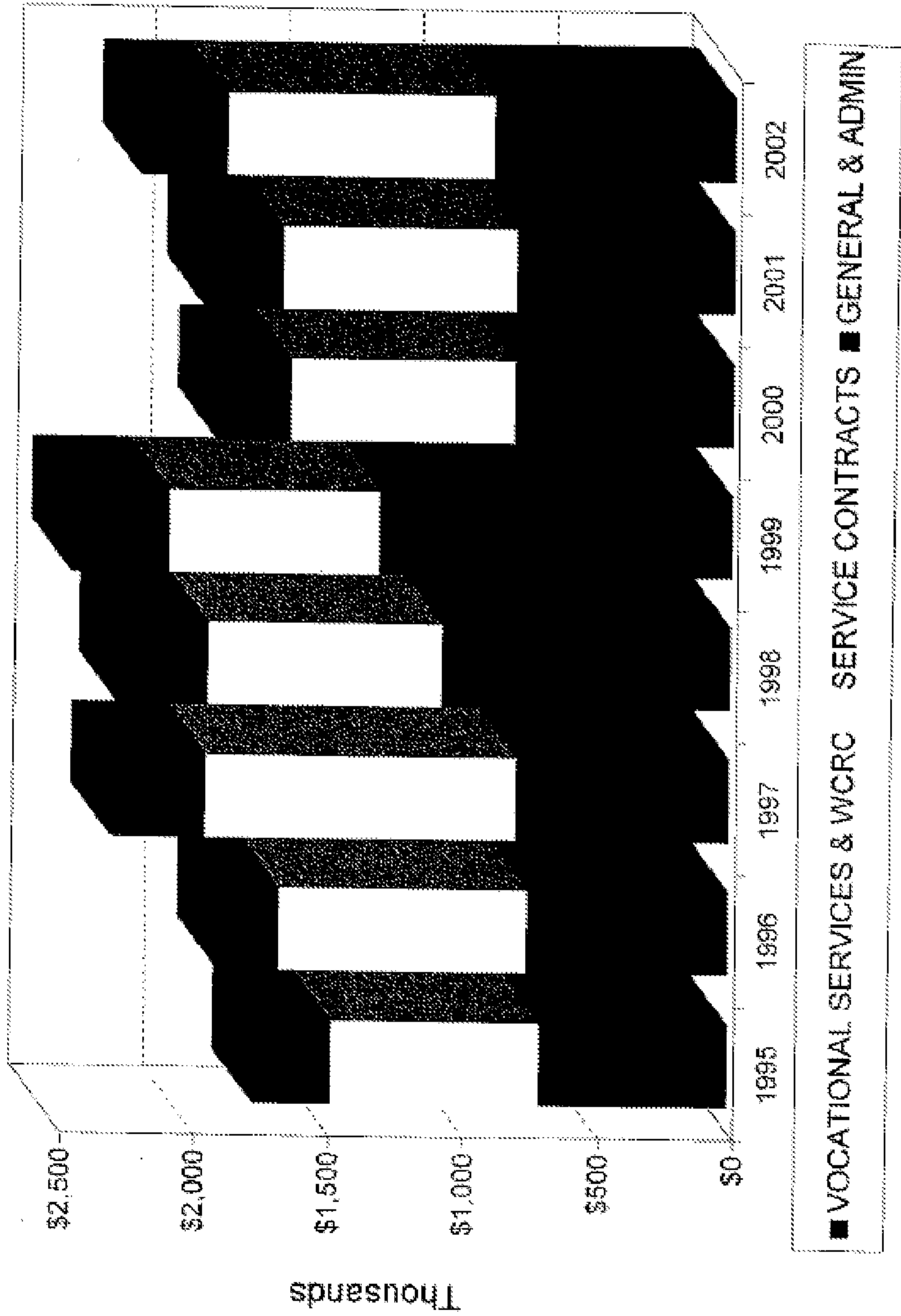
JUNE 30, 2001



TOTAL SUPPORT AND REVENUE = \$ 2,172,000 TOTAL SUPPORT AND REVENUE = \$ 1,980,000

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

DEPARTMENTAL EXPENSES



LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

OPERATING EXPENSES

