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AFFILIATED BLIND OF
LOUISIANA TRAINING CENTER, INC.
FINANCIAL REPORT
JUNE 30, 2004

C O N T E N T S

BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Affiliated Blind of Louisiana
Training Center, Inc.
Lafayette, Louisiana

We have audited the accompanying statements of financial position of Affiliated Blind of Louisiana Training Center, Inc. (a nonprofit organization) as of June 30, 2004 and 2003 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 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 Affiliated Blind of Louisiana Training Center, Inc. as of June 30, 2004 and 2003, 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 a report dated September 8, 2004, on our consideration of Affiliated Blind of Louisiana Training Center, Inc.'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.

Broussard, Poché, Lewis + Breaux, L.L.P.
Lafayette, Louisiana
September 8, 2004

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2004 and 2003

ASSETS	2004	2003
CURRENT ASSETS		
Cash and cash equivalents	$ 806,817	$ 741,517
Due from employees	-	1,173
Due from other agencies	111,383	336,257
Due from Affiliated Blind of Louisiana, Inc.	8,250	6,750
Inventory	54,880	69,651
Deposits	1,015	1,015
Total current assets	$ 982,345	$1,156,363
FIXED ASSETS		
Property and equipment, net	$3,620,489	$3,732,540
Total assets	$4,602,834	$4,888,903
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 2,103	$ 1,829
Accrued liabilities	37,815	47,553
Deferred revenue	302,625	365,165
Total current liabilities	$ 342,543	$ 414,547
NET ASSETS		
Unrestricted	$1,208,350	$ 287,034
Temporarily restricted	3,051,941	4,187,322
Total net assets	$4,260,291	$4,474,356
Total liabilities and net assets	$4,602,834	$4,888,903

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2004

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 279,346	$ -	$ 279,346
Fee for services	510,569	-	510,569
Interest revenue	9,146	-	9,146
Grant revenue	240,868	-	240,868
State appropriation	437,540	-	437,540
Meal tickets	9,172	-	9,172
Miscellaneous revenue	23,042	-	23,042
Net assets released from restrictions:			
Expiration of time restrictions	1,105,459	(1,105,459)	-
Net inventory issued	29,922	(29,922)	-
Total revenues, gains and other support	$ 2,645,064	$(1,135,381)	$ 1,509,683
EXPENSES			
Program expenses:			
Housing and training	$ 1,421,931	$ -	$ 1,421,931
General and administrative expenses	301,817	-	301,817
Total expenses	$ 1,723,748	$ -0-	$ 1,723,748
Change in net assets	$ 921,316	$(1,135,381)	$ (214,065)
Net assets at beginning of year	287,034	4,187,322	4,474,356
Net assets at end of year	$ 1,208,350	$ 3,051,941	$ 4,260,291

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2003

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 282,993	$ -	$ 282,993
Fee for services	273,808	-	273,808
Interest revenue	14,405	-	14,405
Grant revenue	116,448	62,607	179,055
State appropriation	377,052	-	377,052
Meal tickets	8,447	-	8,447
Miscellaneous revenue	26,745	-	26,745
Net assets released from restrictions:			
Expiration of time restrictions	237,269	(237,269)	-
Total revenues, gains and other support	$ 1,337,167	$ (174,662)	$ 1,162,505
EXPENSES			
Program expenses:			
Housing and training	$ 1,206,771	$ -	$ 1,206,771
General and administrative expenses	169,390	-	169,390
Total expenses	$ 1,376,161	$ -0-	$ 1,376,161
Change in net assets	$ (38,994)	$ (174,662)	$ (213,656)
Net assets at beginning of year	326,028	4,361,984	4,688,012
Net assets at end of year	$ 287,034	$ 4,187,322	$ 4,474,356

See Notes to Financial Statements.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2004 and 2003

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (214,065)	$ (213,656)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	149,209	148,672
(Increase) decrease in due from employees	1,173	(1,173)
Increase in due from Affiliated Blind of Louisiana, Inc.	(1,500)	(6,005)
(Increase) decrease in due from other agencies	224,874	(202,080)
Increase (decrease) in inventory	14,771	(69,651)
Increase (decrease) in accounts payable	274	(82,628)
Increase (decrease) in accrued liabilities	(9,738)	2,145
Increase (decrease) in deferred revenue	(62,540)	122,948
Net cash provided by (used in) operating activities	$ 102,458	$ (301,428)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	$ (37,158)	$ (42,718)
Net increase (decrease) in cash	$ 65,300	$ (344,146)
Cash and cash equivalents at beginning of year	741,517	1,085,663
Cash and cash equivalents at end of year	$ 806,817	$ 741,517

See Notes to Financial Statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Affiliated Blind of Louisiana Training Center, Inc. was incorporated on September 10, 1997 to operate the Training Center which was previously operated by Affiliated Blind of Louisiana, Inc. The Organization took over operation of the Training Center effective October 1, 1997. The mission of the Training Center is to teach skills required to maximize the independence and increase the employability of individuals who are blind, visually-impaired, or deaf-blind, thereby allowing for full integration into the community.

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Support and expenses:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allowance for doubtful accounts:

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Advertising:

Advertising costs are expensed as incurred. Advertising expense was $10,319 and $9,665 for the years ended June 30, 2004 and 2003, respectively.

Property and equipment:

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the assets must be used, the Organization has adopted a policy of implying a time restriction that expires over the useful life of the assets. Depreciation is computed by the straight-line method based on the following estimated useful lives:

	Years
Furniture and equipment	3 - 7
Building and improvements	10 - 40

Compensated absences:

Employees of the Organization earn annual leave in varying amounts ranging from 4.67 hours per month to 8 hours per month, depending upon length of service. At the end of each year, employees may carry forward vacation time earned but not taken with the maximum allowable carryover of unused vacation time being equal to one year's accumulated vacation time. Subject to the above limitation, unused vacation is paid to an employee upon retirement or resignation at hourly rates being earned by that employee at separation. At June 30, 2004 and 2003, accrued annual leave totaled $22,089 and $22,089, respectively.

Sick leave is earned at the same rate as annual leave; however, sick leave is not paid to employees at termination. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Donated services:

The Organization receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and cash equivalents:

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventory:

Inventory consisting of low vision training aids and supplies are stated at the lower of cost or realizable market.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Impairments:

The Organization evaluates long-term assets to be held and used for impairment when events or changes in economic circumstances indicate the carrying value of such assets may be unrecoverable. Identifiable intangible assets are evaluated annually for impairment. The Organization uses an estimate of the future undiscounted net cash flows to measure whether the assets are recoverable and measured for impairment by reference to fair value. Fair value is generally estimated using the Organization's expectations of discounted net cash flows. Long-term assets to be disposed of are carried at the lower of cost or fair value less the costs of disposal.

Note 2. Property and Equipment

Property and equipment consisted of the following at June 30, 2004 and 2003:

	2004	2003
Land	$ 292,500	$ 292,500
Buildings and improvements	4,386,770	4,386,770
Furniture and equipment	1,304,007	1,266,850
Vehicles	83,355	83,355
	$ 6,066,632	$ 6,029,475
Less accumulated depreciation	(2,446,143)	(2,296,935)
	$ 3,620,489	$ 3,732,540

Total depreciation expense for the years ended June 30, 2004 and 2003 was $149,209 and $148,672, respectively.

The Organization is using vehicles owned by Affiliated Blind of Louisiana, Inc. to transport clients as needed at no cost.

Note 3. Due From Other Agencies

Due from other agencies consisted of the following at June 30, 2004 and 2003:

	2004	2003
Louisiana Rehabilitation Services for the Blind:		
Fee for services	$ 74,330	$ 55,856
Low vision grants	28,906	125,930
State appropriation	-	125,000
United States Department of Housing and Urban Development:		
Maison de LeMaire	8,147	29,471
	$ 111,383	$ 336,257

Note 4. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods as of June 30, 2004 and 2003:

	2004	2003
Depreciation of building constructed with federal grant funds	$ 2,325,000	$ 2,400,000
Equipment	694,256	1,724,715
Inventory	32,685	62,607
	$ 3,051,941	$ 4,187,322

The majority of the equipment included above (2004 - $684,050; 2003 - $1,699,025) was purchased with grant funds which requires the equipment to be used for rehab purposes for a certain number of years or it reverts to the grantor. This is the balance that is still subject to that restriction.

Note 5. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, issuing inventory purchased with grant funds, or the expiration of time as follows:

	2004	2003
Time restriction expired:		
Depreciation of building and equipment	$ 90,484	$ 91,249
Rehab equipment meeting time requirement stipulation	1,014,975	146,020
	$ 1,105,459	$ 237,269
Issuance of inventory:		
Net inventory issued	$ 29,922	$ -0-

NOTES TO FINANCIAL STATEMENTS

Note 6. Natural Classification of Expenses

Expenses incurred were for the following for the years ended at June 30, 2004 and 2003:

2004:	Program	General and Admin-istrative	Total
Salary	$ 635,696	$ 134,854	$ 770,550
Payroll tax	52,062	10,316	62,378
Depreciation	149,209	-	149,209
Insurance	92,326	73,943	166,269
Legal and accounting	-	9,711	9,711
Office	9,635	5,173	14,808
Repairs and maintenance	24,824	5,673	30,497
Supplies	194,147	783	194,930
Telephone	7,988	8,952	16,940
Travel	24,316	1,907	26,223
Janitorial	30,679	2,668	33,347
Contract services	22,740	16,186	38,926
Fuel	4,941	856	5,797
Utilities	59,903	5,209	65,112
Client services	44,069	-	44,069
Low vision - purchases/expense	33,023	-	33,023
Training	5,992	635	6,627
401(k) matching	11,434	6,649	18,083
Advertising	7,089	3,230	10,319
Printing	180	171	351
Rent	-	7,200	7,200
Other	11,678	7,701	19,379
	$1,421,931	$ 301,817	$1,723,748

Note 6. Natural Classification of Expenses (Continued)

2003:	Program	General and Admin- istrative	Total
Salary	$ 537,879	$ 117,762	$ 655,641
Payroll tax	46,534	9,009	55,543
Depreciation	148,672	-	148,672
Insurance	97,226	9,097	106,323
Legal and accounting	4,022	5,160	9,182
Office	5,822	1,574	7,396
Repairs and maintenance	17,633	-	17,633
Supplies	139,002	200	139,202
Telephone	10,214	2,206	12,420
Travel	7,871	1,123	8,994
Janitorial	30,866	-	30,866
Contract services	18,722	2,846	21,568
Fuel	2,507	-	2,507
Utilities	45,951	11,257	57,208
Client services	32,066	-	32,066
Low vision - purchases/expense	17,364	-	17,364
Training	13,145	30	13,175
401(k) matching	11,893	2,973	14,866
Advertising	9,515	150	9,665
Printing	609	116	725
Other	9,258	5,887	15,145
	$1,206,771	$ 169,390	$1,376,161

Note 7. Affiliated Organizations

Affiliated Blind of Louisiana Enterprises, Inc, Affiliated Blind of Louisiana, Inc. and Acadiana Chapter are all nonprofit organizations that manage bingo operations and contribute 75% of their profits to Affiliated Blind of Louisiana Training Center, Inc. The following direct monetary transactions were engaged in for the years ended June 30, 2004 and 2003:

	2004	2003
Contributions from:		
Acadiana Chapter	$ 43,495	$ 55,530
Affiliated Blind of Louisiana Enterprises, Inc.	149,535	133,233
Affiliated Blind of Louisiana, Inc.	83,213	86,475
	$ 276,243	$ 275,238

Balances due from affiliated organizations at June 30, 2004 and 2003 were $8,250 and $6,750, respectively.

Note 8. Employee Defined Contribution Plan

Effective January 1, 1998, Affiliated Blind of Louisiana Training Center, Inc. adopted a 401(k) Profit Sharing Plan. The plan covers substantially all full-time employees of the Organization who meet the plan's eligibility requirements. The plan provides for a tax deferred profit sharing contribution and an employee elective contribution, effective August 1, 1998, with an Organization matching provision.

The Organization contributed 4% of gross salaries for each plan participant in fiscal years 2004 and 2003. Participants may contribute up to fifteen percent (15%) of annual compensation. Contributions made by the Organization to the plan were $18,083 and $14,866 during the 2004 and 2003 fiscal years, respectively.

Note 9. Concentration of Credit Risk

The Organization's cash is in a sweep account at its bank along with the cash of Affiliated Blind of Louisiana, Inc.

The cash balances are insured by the Federal Deposit Insurance Corporation up to $100,000 for demand and time deposits. At June 30, 2004 and 2003, the uninsured deposit balance totaled $60,129 and $51,131, respectively.

Note 10. Contingent Liabilities

Affiliated Blind of Louisiana Training Center, Inc. receives grants for specific purposes that are subject to review and audit by the agencies providing the funding. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

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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 of
Affiliated Blind of Louisiana
Training Center, Inc.
Lafayette, Louisiana

We have audited the financial statements of Affiliated Blind of Louisiana Training Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated September 8, 2004. 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 the Organization'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 are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

This report is intended solely for the information of management, others within the Organization, 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.

Broussard, Poche', Lewis & Breaux, L.L.P.

Lafayette, Louisiana
September 8, 2004

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2004

We have audited the financial statements of Affiliated Blind of Louisiana Training Center, Inc. as of and for the year ended June 30, 2004, and have issued our report thereon dated September 8, 2004. 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. Our audit of the financial statements as of June 30, 2004 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control
Material Weaknesses ___ Yes _X_ No
Reportable Conditions ___ Yes _X_ None Reported

Compliance
Compliance Material to Financial Statements ___ Yes _X_ No

Section II - Financial Statement Findings

No matters were reported.

AFFILIATED BLIND OF LOUISIANA TRAINING CENTER, INC.

SCHEDULE OF PRIOR FINDINGS
Year Ended June 30, 2004

Section I. Internal Control and Compliance Material to the Financial Statements

No matters were reported.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.