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LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

FINANCIAL REPORT

June 30, 2009

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

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June 30, 2009

FAULK & WINKLER LLC
Certified Public Accountants • Business Advisors

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, 2009 and 2008, 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 audits 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, 2009 and 2008, 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 October 13, 2009, on our consideration of the **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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 audits.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
October 13, 2009

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LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash	$ 404,828	$ 239,905
Investments	403,623	245,089
Accounts receivable, net	213,039	263,252
Insurance receivable	45,721	-
Prepaid insurance	25,062	38,766
Total current assets	1,092,273	787,012
PROPERTY AND EQUIPMENT, net	622,527	641,529
Total assets	$ 1,714,800	$ 1,428,541

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Accounts payable	$ 19,563	$ 29,100
Accrued expenses	57,130	51,874
Total liabilities	76,693	80,974
NET ASSETS		
Unrestricted:		
Board designated - personnel	300,000	300,000
Undesignated	1,121,107	1,047,567
Temporarily restricted	217,000	-
Total net assets	1,638,107	1,347,567
Total liabilities and net assets	$ 1,714,800	$ 1,428,541

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, 2009 and 2008

	Unrestricted	Temporarily Restricted	Total	2008 Unrestricted
REVENUE AND SUPPORT				
Vocational services	$ 468,538	$ -	$ 468,538	$ 475,778
Service contracts	1,505,461	-	1,505,461	1,279,389
WCRC	466,122	-	466,122	500,734
Gain on disposal of assets	-	-	-	3,263
Staffing organization grants	25,000	217,000	242,000	-
Investment and other income (loss)	(10,959)	-	(10,959)	40,239
Total revenue and support	2,454,162	217,000	2,671,162	2,299,403
EXPENSES				
Program services:				
Vocational services	405,261	-	405,261	281,858
Service contracts	1,226,581	-	1,226,581	1,134,777
WCRC	393,961	-	393,961	397,359
General and administrative	354,819	-	354,819	380,624
Total expenses	2,380,622	-	2,380,622	2,194,618
Increase in net assets	73,540	217,000	290,540	104,785
NET ASSETS				
Beginning of year	1,347,567	-	1,347,567	1,242,782
End of year	$ 1,421,107	$ 217,000	$ 1,638,107	$ 1,347,567

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

Exhibit C

LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$ 290,540	$ 104,785
Adjustments for non-cash items:		
Depreciation	79,151	72,907
Gain on disposal of assets	-	(3,263)
Change in allowance for doubtful accounts	(17,500)	20,600
Realized (gain) loss on sale of investments	3,966	(19,137)
Unrealized loss on investments	16,009	22,800
Change in operating assets and liabilities:		
Accounts receivable and other assets	35,696	(72,939)
Accounts payable and accrued expenses	(4,281)	649
Net cash provided by operating activities	403,581	126,402
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(219,065)	(82,051)
Sale of investments	40,556	123,199
Fixed asset acquisitions	(60,149)	(61,351)
Proceeds from sale of assets	-	23,700
Net cash used by investing activities	(238,658)	3,497
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments on line of credit	-	(19,206)
Net increase in cash	164,923	110,693
CASH		
Beginning of year	239,905	129,212
End of year	$ 404,828	$ 239,905

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. (UpLIFTD) is a non-profit corporation whose purpose is to enhance the lives of the mentally and physically disabled, including, but not limited to the following:

- Developing job skills,
- assisting in personal and work adjustments,
- providing, developing and promoting employment opportunity,
- promoting independent learning skills, and
- providing goods and services needed by the disabled to achieve the above goals.

Louisiana Industries for the Disabled, Inc. primarily operates in the Baton Rouge and Lafayette areas, and is also known as UpLIFTD.

Basis of presentation

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

UpLIFTD 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. UpLIFTD does not have any permanently restricted net assets at June 30, 2009 and 2008.

Temporarily restricted net assets are contributions that are restricted for an alternative staffing program currently being implemented by UpLIFTD.

Board designated net assets have been voluntarily designated for future support of personnel related cost. However, these net assets are considered unrestricted due to the absence of donor-imposed restrictions.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, workers' compensation insurance liability and depreciation.

Cash and cash equivalents

For purposes of the statement of cash flows, UpLIFTD considers cash in operating bank accounts and cash on hand as cash. Cash equivalents include highly liquid investments with original maturities of three months or less.

Investment valuation and income recognition

Financial Accounting Standards Board Statement No. 157, Fair Value Measurements, (FASB 157), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB 157 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that UpLIFTD has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

UpLIFTD does not have any Level 3 inputs at June 30, 2009 and 2008.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition (continued)

UpLIFTD's investments are stated at fair value. Shares of registered investment companies and units of the collective investment trust are valued at the quoted net asset value of such investments held by UpLIFTD at year end.

Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. Investment earnings are recorded net of related expense of $516 and $800 for the years ended June 30, 2009 and 2008, respectively. All investment income is unrestricted.

Contract revenue and accounts receivable

Contract revenue and the related accounts receivable represent fees for service contracts due from governmental units and agencies. UpLIFTD does not require collateral. Since the majority of receivables are through governmental contracts, management believes the majority of accounts to be collectible at June 30, 2009 and 2008. Accordingly, the provision for doubtful accounts was $5,100 and $22,600 at June 30, 2009 and 2008, respectively. Accounts receivable, outstanding after 30 days, are considered past due. At June 30, 2009 and 2008, accounts receivable in excess of 90 days were approximately $2,700 and $21,500, respectively.

Property, equipment and depreciation

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

Restricted support

UpLIFTD receives support from Louisiana agencies to expend on job development and training. When program restrictions are 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 restriction of temporarily restricted support of $427,754 and $455,241 was met during the years ended June 30, 2009 and 2008, such support has been shown as unrestricted.

Revenue recognition

UpLIFTD records service contract revenue as services are rendered.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2009 and 2008.

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

Reclassifications

Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 financial statement presentation.

NOTE 2 - INVESTMENTS

Investments are made in various mutual funds, government securities, corporate bonds and certificates of deposit. Investments at June 30, 2009 and 2008 are as follows:

	2009			2008		
	Cost	Market Value	Carrying Value	Cost	Market Value	Carrying Value
Certificate of deposit	$ 217,000	$217,000	$217,000	$ -	$ -	$ -
Agency securities	23,128	24,716	24,716	33,370	34,029	34,029
Government securities	51,858	56,965	56,965	71,335	74,264	74,264
Mutual funds	80,461	58,045	58,045	79,354	79,891	79,891
Corporate bonds	45,841	46,897	46,897	59,684	56,905	56,905
	$ 418,288	$ 403,623	$ 403,623	$ 243,743	$ 245,089	$ 245,089

The following schedule summarizes the investment return:

	2009	2008
Interest and dividends	$ 9,016	$ 13,945
Realized gains (losses)	(3,966)	19,137
Unrealized losses	(16,009)	(22,800)
	$ (10,959)	$ 10,282

NOTE 3 - FAIR VALUE MEASURES

As of June 30, 2009 and 2008, the fair value hierarchy of the UpLIFTD's assets was as follows:

	June 30, 2009		
	Level 1	Level 2	Total
Certificate of deposit	$ -	$ 217,000	$ 217,000
Government securities	56,966	-	56,966
Mutual funds	58,045	-	58,045
Agency securities	-	24,715	24,715
Corporate bonds	-	46,897	46,897
Total investments at fair value	$ 115,011	$ 288,612	$ 403,623

	June 30, 2008		
	Level 1	Level 2	Total
Government securities	$ 74,264	$ -	$ 74,264
Mutual funds	79,891	-	79,891
Agency securities	-	34,029	34,029
Corporate bonds	-	56,905	56,905
Total investments at fair value	$ 154,155	$ 90,934	$ 245,089

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment, related service lives, and accumulated depreciation at June 30, 2009 and 2008, are as follows:

	Estimated Service Lives	2009	2008
Land	-	$ 15,000	$ 15,000
Buildings	7 - 30 years	846,215	846,215
Building improvements	3 - 5 years	36,111	36,111
Furniture and equipment	5 - 10 years	448,940	391,768
Vehicles	3 - 5 years	184,789	181,812
Property and equipment		1,531,055	1,470,906
Accumulated depreciation		(908,528)	(829,377)
		$ 622,527	$ 641,529

Depreciation expense was $79,151 and $72,907 for the years ended June 30, 2009 and 2008, respectively.

NOTE 5 - LINE OF CREDIT

UpLIFTD has a revolving line of credit, due on demand, with maximum borrowings totaling \$100,000. The line bears interest at 2% over the Wall Street Journal prime rate, payable monthly. There was no outstanding balance on the line of credit as of June 30, 2009 and 2008. The rate of the open line of credit agreement as of June 30, 2009 was 5.25%. Interest paid on the line of credit was \$2,737 for the year ended June 30, 2008. There was no interest paid on the line of credit for the year ended June 30, 2009, as the line of credit was unused during this year.

NOTE 6 - ECONOMIC DEPENDENCY

UpLIFTD 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, 2009 and 2008, revenue derived from governmental sources accounted for approximately 93% and 89% of total revenue, respectively and accounts receivable at year-end were related to such revenues.

NOTE 7 - PENSION PLAN

UpLIFTD has a money purchase pension plan covering substantially all employees meeting certain age and service requirements. Employees are 100% vested in their contributions; employer contributions are vested equally over five years. UpLIFTD contributed 3% of annual compensation in 2009 and 2008 for eligible participants.

UpLIFTD funded \$49,453 and \$49,813 of contributions during the years ended June 30, 2009 and 2008, respectively.

NOTE 8 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which subject UpLIFTD to concentrations of credit risk consist primarily of investments in governmental and corporate fixed income instruments, mutual funds and receivables. In addition, UpLIFTD typically maintains cash in local banks, which may, at times, exceed the FDIC limits. Management believes the risk is limited.

NOTE 9 - RELATED PARTY

In 2009, UpLIFTD received consultation services in relation to the staffing organization grant from an entity owned by a member of the board of directors. Total payment for the services was approximately \$10,000 for the year ended June 30, 2009. In 2008, UpLIFTD received computer related services from an organization owned by another member of the board of directors. Total payments for these services were approximately \$1,100 for the year ended June 30, 2008.

NOTE 10 - THEFT LOSS

During the year ended June 30, 2009, an employee misappropriated funds by submitting fictitious documentation to increase commissions earned and using a company credit card for personal purchases. The employee resigned as a preliminary internal investigation commenced. The amounts identified by management related to this misappropriation totaled \$56,481. A loss, net of insurance proceeds of \$46,721, of \$9,760 has been reported as a loss due to theft.

Information supporting these allegations was submitted to the local law enforcement agency, which has not, as of the date of their report, prosecuted the individual.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Suits and Claims

Various suits and claims arising in the ordinary course of operations are pending against UpLIFTD. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of UpLIFTD management that the ultimate resolution of any unrecorded litigation will not have a material effect on the financial position of UpLIFTD.

NOTE 12 - SUBSEQUENT EVENTS

In preparing these financial statements, UpLIFTD has evaluated events and transactions for potential recognition or disclosure through October 5, 2009, the date the financial statements were available to be issued.

FAULK & WINKLER LLC
Certified Public Accountants • Business Advisors

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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. (UpLIFTD)** (a non-profit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated October 13, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered **UpLIFTD**'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when a design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2008-1 and 2008-2 to be significant deficiencies in internal control over financial reporting.

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A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. The deficiencies considered to be material weaknesses in internal controls are described in the accompanying Schedule of Findings and Questioned Costs as 2008-1 and 2008-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **UpLIFTD**'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2009-2 to be an issue of noncompliance which is material to the basic financial statements.

UpLIFTD's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit **UpLIFTD**'s responses and, accordingly, we do not express an opinion on them.

This report is intended for the information of the Board of Directors, management, state and federal granting agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
October 13, 2009

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2009

1) **Summary of Audit Results:**

   a) The type of report issued on the basic financial statements: **Unqualified opinion.**

   b) Significant deficiencies in internal control disclosed by the audit of Financial Statements: **2008-1 and 2008-2.**

   Material weaknesses: **2008-1 and 2008-2.**

   c) Noncompliance which is material to the basic financial statements: **2009-2**

   d) Findings relating to the financial statements reported in accordance with Government Auditing Standards: **2008-1 and 2008-2.**

2) **Findings - Financial Statement Audit:**

2009-1 - Segregation of Duties

Finding:

The segregation of duties is not sufficient to have effective internal control over financial reporting. The finding results from the small size of the organization. At times during the fiscal year, these limitations allowed no opportunity for meaningful segregation of duties in financial reporting. Although, in 2009, UpLIFTD hired an additional employee in the accounting department to mitigate various functions and initiate proper segregation of duties within the accounting function.

Recommendation:

We recommend that the Treasurer and/or the Executive Director continue to review the following:

- Check disbursements and related supporting documentation,
- Monthly bank statements, canceled checks and related reconciliation,
- Monthly financial statements, including detailed general ledger review,
- Knowledge of the adequacy of the budget document,
- Detailed review of significant budget variances,

We also recommend that UpLIFTD document, in writing, procedures that include the newly hired individual which discuss the proper segregation of duties in each major financial cycle. Such procedures should be reviewed by the Finance Committee and approved by the Board of Directors.

Management's corrective action plan:

UpLIFTD hired an additional employee in 2009 in its accounting function to achieve adequate segregation of duties. As a result, this recommendation will be subject to evaluation in 2010. Management is optimistic that this additional employee will result in this finding to be resolved.

2009-2 Theft Loss

Observation: As described in Note 10 of the financial statements, management found a theft of funds during 2009 by an employee who submitted fictitious documentation to increase commissions earned and used UpLIFTD's credit card for personal purchases. Management has recorded an expense for 2009 of $9,760, whereas questioned costs totaled $56,481 and insurance recoveries are $46,721.

UpLIFTD contacted local law enforcement officials who intend to prosecute the individual. Management intends to pursue this matter vigorously.

Recommendation: Management should implement control procedures to more closely monitor and scrutinize documentation which is submitted for employees earning commissions to avoid similar experiences in the future.

Management's corrective action plan: Management has changed its internal procedures regard backup documentation for reimbursement requests and will closely monitor these sensitive areas in the future.

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

SCHEDULE OF PRIOR YEAR FINDINGS

For the year ended June 30, 2008

2008-1 – Segregation of Duties

This finding has been reclassified at finding 2009-1.

2008-2 - Preparation of Financial Statements

Observation: During 2009, UpLIFTD's treasurer, who is a practicing certified public accountant, provided oversight of the process of preparing external financial statements, including all necessary disclosures. This finding is considered resolved as UpLIFTD did not rely on its auditors to prepare external financial statements and related disclosures and therefore were not considered to be part of UpLIFTD's internal control structure.

FAULK & WINKLER LLC
Certified Public Accountants • Business Advisors

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our audits of the basic financial statements of **LOUISIANA INDUSTRIES FOR THE DISABLED, INC.** (a nonprofit corporation) for the years ended June 30, 2009 and 2008 appears on page 1. We conducted our audits 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 included on page 18 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 audits 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
October 13, 2009

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LOUISIANA INDUSTRIES FOR THE DISABLED, INC.

Baton Rouge, Louisiana

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2009
(With comparative amounts for 2008)

	Vocational Services	Service Contracts	WCRC	General and Administrative	Totals Memorandum Only 2009	Totals Memorandum Only 2008
EXPENSES						
Salaries	$ 266,055	$ 659,765	$ 248,976	$ 137,366	$ 1,312,162	$ 1,198,682
Payroll taxes	19,942	53,154	17,798	9,425	100,319	90,236
Janitorial supplies and contracts	8,693	241,244	-	1,483	251,420	210,995
Insurance	30,438	118,492	20,200	56,474	225,604	210,888
Depreciation	16,288	35,780	9,482	17,601	79,151	72,907
Automobile	1,364	39,348	7,355	3,645	51,712	63,943
Retirement	1,540	43,830	1,458	2,625	49,453	49,813
Utilities and telephone	12,844	9,040	18,000	10,070	49,954	49,437
Rent and leases	28,452	2,328	-	8,247	39,027	37,618
Professional	-	6,943	80	44,609	51,632	36,553
Office supplies	8,400	4,351	10,269	15,957	38,977	30,092
Rehabilition supplies and contracts	42	-	19,153	-	19,195	24,853
Repairs and maintenance	4,982	3,330	7,934	19,902	36,148	18,658
Training	1,601	3,990	979	8,018	14,588	12,967
Equipment	2,265	402	-	823	3,490	6,492
Subscriptions and memberships	1,240	1,132	2,873	3,224	8,469	5,415
Postage and freight	544	72	1,430	15	2,061	1,963
Loss due to theft, net	-	-	-	9,760	9,760	-
Other	571	3,380	27,974	5,575	37,500	73,106
Total expenses	$ 405,261	$ 1,226,581	$ 393,961	$ 354,819	$ 2,380,622	$ 2,194,618