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LOUISIANA CENTER FOR THE BLIND, INC.

Ruston, Louisiana

***General Purpose Financial Statements
And Independent Auditor's Report
June 30, 2003
With Supplemental Information Schedules***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 1-28-04

DARLA S. TURNER, CPA
A Professional Accounting Corporation
3001 Armand, Suite C
Monroe, Louisiana 71201

LOUISIANA CENTER FOR THE BLIND, INC.

Ruston, Louisiana

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June 30, 2003

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of Louisiana Center for the Blind, Inc. (a nonprofit organization) as of June 30, 2003, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Louisiana Center for the Blind, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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. 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 the significant estimates made by management, as well as evaluating the overall general 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, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2003, on my consideration of Louisiana Center for the Blind, Inc.'s internal control over financial reporting and my 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 my audit.

My audit was performed 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 expenditures of federal awards is presented for purposes of additional analysis as required by the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT
December 17, 2003

Ruston, Louisiana

STATEMENT OF FINANCIAL POSITION

June 30, 2003

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,510,987
Accounts receivable	1,106,739
Investments	2,012,545
Due from other funds	<u>12,000</u>
Total Current Assets	<u>4,642,271</u>
Fixed Assets	
Land	57,073
Building and improvements	2,185,196
Machinery and equipment	660,015
Furniture	73,465
Vehicles	<u>70,606</u>
	3,046,355
Less: accumulated depreciation	<u>(1,831,930)</u>
Total Fixed Assets	<u>1,214,425</u>
TOTAL ASSETS	<u><u>\$ 5,856,696</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	\$ 560,307
Payroll related payables	39,390
Due from other funds	<u>12,800</u>
TOTAL LIABILITIES	<u>612,497</u>
Net Assets:	
Unrestricted	5,244,199
Temporarily restricted	-
Permanently restricted	<u>-</u>
TOTAL NET ASSETS	<u>5,244,199</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,856,696</u></u>

LOUISIANA CENTER FOR THE BLIND, INC.

Exhibit B

Ruston, Louisiana

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2003**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Support:				
Grants	\$ 848,922	\$ -	\$ -	\$ 848,922
State grants	600,000			600,000
Contributions	431,369	-	-	431,369
Total support	1,880,291	-	-	1,880,291
Revenue:				
Fee income	1,116,744	-	-	1,116,744
Interest and dividends	91,752	-	-	91,752
Realized loss on Investments	(172,045)	-	-	(172,045)
Other	1,445,664	-	-	1,445,664
Total revenue	2,482,115	-	-	2,482,115
	-			
TOTAL SUPPORT AND REVENUE	4,362,406	-	-	4,362,406
EXPENSES				
Program services:				
Training program	2,584,840	-	-	2,584,840
Buddy program	24,214	-	-	24,214
Step program	28,243	-	-	28,243
Contributions	21,270	-	-	21,270
Total program services	2,658,567	-	-	2,658,567
Support services:				
General and administrative	215,736	-	-	215,736
Bingo	1,421,980	-	-	1,421,980
Total support services	1,637,716	-	-	1,637,716
Other expense				
Depreciation	162,790	-	-	162,790
Total other expenses	162,790	-	-	162,790
TOTAL EXPENSES	4,459,073	-	-	4,459,073
CHANGE IN NET ASSETS	(96,667)	-	-	(96,667)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	181,049	-	-	181,049
Operating transfers out	(181,049)	-	-	(181,049)
Total other financing sources (uses)	-	-	-	-
PRIOR PERIOD ADJUSTMENT	231,061	-	-	231,061
RECLASSIFICATION	111,333	(111,333)		-
NET ASSETS, BEGINNING OF YEAR	4,998,472	111,333	-	5,109,805
NET ASSETS, END OF YEAR	\$ 5,244,199	\$ -	\$ -	\$ 5,244,199

The accompanying notes are an integral part of this statement.

Ruston, Louisiana

STATEMENT OF CASH FLOWS**For the Year Ended June 30, 2003****Cash Flows From Operating Activities:**

Change in net assets	\$	(96,667)
Adjustments to reconcile change in net assets to net cash used for operating purposes:		
Depreciation		162,790
Prior period adjustments		186,905
Increase in accounts receivable		(972,658)
Increase in other receivables		(12,000)
Increase in accounts payable		560,307
Increase in other payables		12,800
Increase in payroll and related liabilities		38,371
		<u>38,371</u>
Net cash used by operating activities		<u>(120,152)</u>

Cash Flows From Investing Activities:

Acquisition of equipment and improvements	(36,733)
Increase in investments	(34,755)
Decrease in cash value of life insurance	64,641
	<u>64,641</u>

Net cash used by investing activities	<u>(6,847)</u>
--	----------------

Cash Flows From Financing Activities:

Net cash provided by financing activities	<u>-</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(126,999)
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CASH AND CASH EQUIVALENTS - JULY 1, 2002	<u>1,637,986</u>
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CASH AND CASH EQUIVALENTS - JUNE 30, 2003	<u>\$ 1,510,987</u>
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LOUISIANA CENTER FOR THE BLIND, INC.

Ruston, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2003

	Program Services		
	Training Program	Buddy Program	Step Program
Compensation and related expense			
Compensation	\$ 327,527	\$ -	\$ -
Payroll taxes and fringe benefits	171,524	-	-
Total Compensation and Related Expense	499,051	-	-
Other Expense			
Rent and utilities	61,784	812	717
Work experience allowance	-	14,675	8,095
Contract labor	6,395	982	1,750
Donations	-	-	-
Supplies	12,681	2,633	1,240
Professional fees	3,479	-	102
Dues	-	-	-
Vehicle expense	28,455	31	20
Travel/transportation/conferences	35,279	1,311	8,138
Meals and lodging	3,296	-	-
Program activities	23,433	2,944	2,368
Recruitment/public relations	-	-	-
Repairs and maintenance	32,281	229	-
Printing/production/postage	-	245	163
Training and education	49,192	-	-
Insurance	40,560	-	-
Equipment	6,419	-	5,203
Maintenance - students	64,722	-	-
Grant expense	1,704,328	-	-
Interest expense	#REF!	-	-
Cost of prizes	-	-	-
Other miscellaneous expense	13,485	352	447
Total Other Expense	#REF!	24,214	28,243
Total Expenses Before Depreciation	#REF!	24,214	28,243
Depreciation	137,111	1,903	1,262
Total Expenses	#REF!	\$ 26,117	\$ 29,505

The accompanying notes are an integral part of this statement.

<u>Program Services</u>		<u>Supporting Services</u>		
<u>Contribution Program</u>		<u>Management & General</u>	<u>Bingo</u>	<u>Total</u>
\$ -		\$ 50,487	\$ 56,150	\$ 434,164
-		17,867	3,942	193,333
-		68,354	60,092	627,497
-		6,470	80,400	150,183
-		2,218	-	24,988
-		53,928	-	63,055
-		-	150,000	150,000
82		6,595	119,041	142,272
6,093		13,978	1,108	24,760
-		3,178	-	3,178
-		-	-	28,506
-		14,522	-	59,250
-		12,019	-	15,315
-		-	-	28,745
-		3,619	-	3,619
-		11,873	-	44,383
-		1,907	260	2,575
-		-	1,656	50,848
-		10,140	-	50,700
-		1,029	-	12,651
-		-	-	64,722
-		-	-	1,704,328
-		-	-	#REF!
-		-	1,009,105	1,009,105
15,095		5,907	317	35,603
21,270		147,383	1,361,887	#REF!
21,270		215,737	1,421,979	#REF!
183		22,331	-	162,790
<u>\$ 21,453</u>		<u>\$ 238,068</u>	<u>\$ 1,421,979</u>	<u>#REF!</u>

EXHIBIT E

LOUISIANA CENTER FOR THE BLIND, INC. RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

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 Accounting:

The financial statements of the Louisiana Center For The Blind, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation:

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

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

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.

Accounts Receivable

Management believes that accounts receivable are fully collectible and that no allowance for uncollectible accounts is needed.

EXHIBIT E

LOUISIANA CENTER FOR THE BLIND, INC. RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All expenditures for land, buildings and equipment in excess of \$500 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 and apt. complex	20 years
Student activity center	15 years
Leasehold improvements	10 years
Furniture and fixtures	7 years
Office equipment	5 years
Transportation equipment	5 years

Depreciation expense for the year ended June 30, 2003 was \$162,790. Depreciation expense is reported as program and supporting services and unrestricted net assets in the statement of activities.

Income Taxes

The Center is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Investments

Under SFAS No. 124 *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Compensated Absences

Employees of the Center are entitled to paid vacations and sick days depending on length of service to the Center. Permanent full-time employees earn sick leave at the rate of one day per month of employment, given on the last day of the first full month of employment. Sick leave can be accrued up to one month or a total of 160 hours. Sick leave in excess of one month (160 hours) will be lost. No pay is granted at termination for any earned sick leave.

Permanent full-time employees may earn up to 10 days per year of annual leave at the rate of one day (8 hours) per month of employment. Five(5) of the 10 annual leave days must be taken during a period specified by the Executive Director and the remaining 5 annual leave days may be taken with the approval of the Director. Employees terminating their employment, whether voluntarily or involuntarily, will not be paid for accrued annual leave.

EXHIBIT E

LOUISIANA CENTER FOR THE BLIND, INC. RUSTON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2003

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Cont'd.)

The Center accrued compensated absences in the amount of \$39,380 for the year ended June 30, 2003.

Cash and Cash Equivalents

For purposes of the statement of cash flows, 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 3 – CASH AND CASH EQUIVALENTS

At year end, the carrying amount of the Center's deposits was \$1,510,987, and the bank balance was \$1,324,368. The bank balance is categorized as follows:

Amount insured by FDIC and FSLIC	\$ 200,000
Securities pledged in the entity's name	<u>1,511,664</u>
Total collateralized	1,711,664
Bank balance	<u>1,324,368</u>
Over (under) collateralized	<u>\$ 387,296</u>

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 4 - INVESTMENTS

Long-term investments are stated at fair value as of June 30, 2003, and are summarized as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Gain (Loss)</u>
Banc One Annuities	\$ 1,500,000	\$ 1,347,361	(\$ 152,639)
Schwab Institutional			
Equities	30,995	37,338	6,343
Mutual Funds	495,887	477,930	(17,957)
Unit Trusts	120,138	122,955	2,817
Money Market Funds	26,950	26,961	
Totals	<u>\$ 1,823,970</u>	<u>\$ 2,012,545</u>	<u>(\$ 161,436)</u>

EXHIBIT E

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2003**

NOTE 4 – INVESTMENTS (CONTINUED)

Investment return is summarized as follows:

Interest	\$ 83,682
Dividends	8,070
Total	91,752
Realized Gains (Losses)	<u>(172,045)</u>
Total	<u>\$ (80,293)</u>

Investment costs for the fiscal year ended June 30, 2003 were \$6,094.

NOTE 5 – PROPERTY AND EQUIPMENT

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

Land	\$ 57,073
Vehicles	70,606
Buildings and improvements	2,185,196
Machinery and equipment	660,015
Furniture and fixtures	<u>73,465</u>
	3,046,355
Accumulated Depreciation	<u>(1,831,930)</u>
Total	<u>\$ 1,214,425</u>

NOTE 6 – GRANT INCOME

The following was included in Grant Income for the year ended June 30, 2003:

Grantor/Purpose

Federal Grants:

Department of Education,

Office of Special Educational Services

\$ 54,870

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

EXHIBIT E

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2003**

NOTE 6 – GRANT INCOME (CONTINUED)

Department of Education, Office of Special Educational Services Purpose: Early intervention services for blind/visually impaired toddlers/infants	\$ 35,352
Department of Education, Office of Special Educational Services Purpose: Training young adults in Braille, cane travel, independent living skills, computer literacy, socialization increasing working and leadership skills.	\$ 27,339
Department of Education, Office of Special Educational Services Purpose: Specialized personnel for rehabilitation long-term training of individuals who are blind or have vision impairment	\$ 96,246
Department of Education, Office of Special Educational Services Purpose: Special projects and demonstrations for providing Vocational Rehabilitation Services to individuals with severe disabilities	\$ 352,795
State of Louisiana, Department of Social Services, Louisiana Rehabilitation Services Purpose: Providing an informational brochure and a dial-in Newsline and Information Service for the blind in Louisiana	\$ 6,482
State of Louisiana, Department of Social Services, Louisiana Rehabilitation Services Purpose: To provide independent living services, training, and support to older blind individuals.	<u>\$ 258,202</u>
Total Federal Grants	<u>\$ 831,286</u>

EXHIBIT E

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2003**

NOTE 7 - 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 specific purposes, 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.

NOTE 8 - CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Center to concentrations of credit risk, consist of money market accounts. The Center places its temporary cash and money market accounts with creditworthy, high-quality financial institutions and brokerage firms. The Center's cash management policies limit its exposure to concentrations of credit risk by maintaining primary cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 9 - EMPLOYEE BENEFIT PLAN

The Center maintains a defined contribution salary deferral plan, qualified under Internal Revenue Code 403(b), for the benefits of its eligible employees. Under the plan, the Center contributes one and one-half percent of each eligible employee's salary and also matches dollar for dollar up to another one and one-half percent of each eligible employee's salary. Plan expenses incurred by the Center during the period ended June 30, 2003 were \$15,110.

NOTE 10 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2003, are as follows:

Receivable in less than one year		
Student tuition from states	\$	140,732
Grants		465,207
Other		<u>500,800</u>
Total		<u>\$ 1,106,739</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Center is currently involved in a lawsuit. The attorneys are of the opinion that in the case of a loss, the Center is adequately insured.

DARLA S. TURNER, CPA

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Schedule 1
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.
Ruston, Louisiana

I have audited the financial statements of Louisiana Center For The Blind, Inc. (a nonprofit organization) as of and for the year ended June 30, 2003, and have issued my report thereon dated December 17, 2003. I conducted my 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 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. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board Of Directors of Louisiana Center For The Blind, Inc., 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. However, it is a matter of public record.

Sincerely,

DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT
December 17, 2003

DARLA S. TURNER, CPA

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3001 Armand, Suite C, Monroe, La. 71201
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Schedule 2

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. (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 each of its major federal programs for the year ended June 30, 2003. 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 my 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 I 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 Center For The Blind, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that 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, 2003.

Internal Control Over Compliance

The management of the Louisiana Center For The Blind, 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 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 on 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 the internal control over compliance in accordance with OMB Circular A-133.

Schedule 2 (Cont'd.)

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the 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 the internal control over compliance and its operation that I consider to be material weaknesses. .

This report is intended solely for the information and use of the Board of Directors of Louisiana Center For The Blind, Inc. and 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. However, it is a matter of public record.



DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

December 17, 2003

Ruston, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2003**

Federal/Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass Through Number	Periods Covered	Program or Award Amount	Federal Expenditures
UNITED STATES DEPARTMENT OF EDUCATION					
Rehabilitation Long-Term Training (5 year)	84.129P	H129P990002	9/1/01-8/31/02	\$ 96,246	\$ 99,653
Special Projects & Demo-Svcs to Ind. W/Disab.	84.235J	H235J000004	6/00-6/01/04	925,000	353,932
Total United States Department of Education				1,021,246	453,585
PASS THROUGH LOUISIANA REHABILITATION SERVICES:					
Independent Living Services for Older Individuals Who are Blind	84.177B	H177B020018D H177B030018: FFY 2003	10/01/02-1/31/03 3/01/03-6/30/03	100,000 101,000	304,075
	CMS 578511	374-200211	10/01/01-9/30/02	149,426	
Social Services Newslne	84.177A	552405	10/1-9/02	6,402	9,734
Total Louisiana Rehabilitation Services				356,828	313,809
PASS THROUGH LOUISIANA DEPARTMENT OF EDUCATION:					
Special Education-Grants to States IDEA - Part B - Set Aside	84.027A	02-B2-XD-C	7/01/02-6/30-03	55,319	53,752
Special Education-Grants to States IDEA - Part B - Set Aside	84.027A	02-B3-XD-C	7/01/03-6/30/03	28,310	24,214
Special Education-Grants for Infants and Families with Disabilities	84.181A	28-03-C3-XD	7/01/02-6/30/03	35,352	47,125
Total Louisiana Department of Education				118,981	125,091
TOTAL FEDERAL AWARDS				\$ 1,497,055	\$ 892,485

**LOUISIANA CENTER FOR THE BLIND, INC.
RUSTON, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003**

I have audited the financial statements of Louisiana Center For The Blind, Inc. as of and for the year ended June 30, 2003, and have issued my report thereon dated December 17, 2003. 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 A-133. My audit of the financial statements as of June 30, 2003 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

Major programs:

Special Projects and Demo-Svcs to Ind. W/Disab.	\$353,932
Independent Living Services for Older Individuals Who are Blind	<u>304,075</u>
Total	\$658,007

Internal Control

Material Weaknesses None Reportable Conditions None

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

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, 2003**

SECTION II

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

There were no findings for this section for the year ended June 30, 2003.

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, 2003.