

*Agreed-Upon Procedures Engagement*

*The Lighthouse For The Blind  
in New Orleans, Inc.*

*November 15, 2010 through December 31, 2011*



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 MAR 14 2012

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**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED UPON PROCEDURES**

To the Board of Directors,  
The Lighthouse For The Blind in New Orleans, Inc.  
New Orleans, Louisiana

We have performed the procedures enumerated below, which were requested by the Louisiana Department of Economic Development and which were agreed to by the management of The Lighthouse For The Blind in New Orleans, Inc ("Lighthouse") solely to assist in evaluating The Lighthouse For The Blind in New Orleans, Inc's compliance with the Cooperative Endeavor Agreement by and between the State of Louisiana and Louisiana Department of Economic Development and The Lighthouse for the Blind in New Orleans, Inc during the period November 15, 2010 through December 31, 2011. Lighthouse's management is responsible for The Lighthouse For The Blind in New Orleans, Inc's compliance with those requirements. The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified parties of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that were performed and our findings are as follows:

**(I) Facility Compliance Provisions Relating to Company Obligations Under Section 4.02 (A) of the CEA**

- 1) We examined supporting documentation which confirmed when the acquisition of the Baton Rouge Facility (the "Facility") was completed and if this acquisition was completed by the December 31, 2010 deadline.

Findings - No exceptions were noted. We examined the signed Act of Sale for the Facility site dated December 9, 2010 verifying acquisition of the Facility was completed by the December 31, 2010 deadline.

- 2) We examined documentation to confirm whether or not Lighthouse commenced operations at the acquired Facility by August 31, 2011.

**(I) Facility Compliance Provisions Relating to Company Obligations Under Section 4.02 (A) of the CEA (Continued)**

Findings - No exceptions were noted We examined approved production summary reports and time sheet reports dated July 2011 through December 2011, evidencing that operations commenced prior to August 31, 2011

- 3) a) We examined accounting records and supporting documentation and prepared a schedule to show how much was spent on capital expenditures by November 15, 2011 (accrual basis) Refer to Schedule 1

Findings - None

- b) We examined the supporting documentation and relating accounting entries of 25 expenditures to verify whether the expense incurred was properly coded as a capital expenditure relating to the newly acquired Facility as noted in the Cooperative Endeavor Agreement (the "CEA")

Findings - No exceptions were noted For 25 sampled charges selected, we examined vendor invoices, copies of checks, bank statements for check clearance, the general ledger and other supporting documentation and verified that the expenses were properly coded as capital expenditures relating to the newly acquired Facility as noted in the CEA

- c) As shown in Schedule 1, capital expenditures were in excess of \$3.9 million by November 15, 2011, therefore, a nonperformance reimbursement calculation is not applicable

**(II) Jobs and Payroll Compliance Provisions Relating to Company Obligations Under Section 4.02 (B) of the CEA**

- 1) We prepared a schedule showing the number of new full time jobs (minimum 30 hrs/wk) created in 2011 and payroll associated with these new jobs for all of 2011 Refer to Schedule 2

Findings - None

**(II) Jobs and Payroll Compliance Provisions Relating to Company Obligations Under Section 4.02 (B) of the CEA (Continued)**

- 2) We selected two new hires and verified full time employment (minimum of 30 hrs/wk) of the new hires through examination of human resource records, ES-4 reports, payroll registers, and other related payroll documentation

Findings - No exceptions were noted We verified full-time employment of two sampled employees through review of the personnel files and human resource records, the ES-4 forms within the quarterly Louisiana Economic Development (the "LED") reports, payroll registers and other payroll documentation

- 3) As shown on Schedule 2, payroll did not have a Required New Payroll shortfall of the required \$200,000 payroll and eight new employees for 2011, therefore, a nonperformance reimbursement calculation is not applicable

**(III) Reports/Document Compliance Provisions Relating to Section 8.02 of the CEA**

- 1) We determined whether a revised Project Budget, as required under Section 8.02(A) of the CEA, was required to be submitted by the Organization to the LED Contract Monitor showing budget changes applied in 2011

Findings - From discussions with the CFO of Lighthouse for the Blind in New Orleans, Inc , and our examination of facility compliance and payroll compliance records, there have been no revisions to the original budget submitted to the LED Contract Monitor, therefore, the provision to submit a revised budget did not apply for 2011.

- 2) We examined Lighthouse's Reports/Document Compliance records and prepared a schedule showing when quarterly progress reports (Exhibit C per the CEA) were prepared and submitted to the LED Contract Monitor for each of the 5 quarters since the effective date of the CEA (beginning with December 31, 2010 and ending December 31, 2011) Refer to Schedule 3

Findings - None

**(III) Reports/Document Compliance Provisions Relating to Section 8.02 of the CEA (Continued)**

- 3) We verified by inquiry and examination of Lighthouse documentation whether Lighthouse met the Payroll Document requirements noted in Section 8 02 (C) of the CEA for each of the five quarters between the effective date of the CEA November 15, 2010 and December 31, 2011.

Findings - No exceptions noted There were no employees that fell under the performance requirements of the CEA in Quarter Four of 2010 We verified that the Quarterly Report of Wages Paid (Louisiana Workforce Commission ES-4 Forms) accompanied the LED Quarterly Reports filed in 2011 and 2012 and were submitted to the contract monitor as required by the Payroll Document requirements noted in Section 8.02 (C) of the CEA

- 4) We documented for the applicable year ends for Lighthouse from November 15, 10 through December 31, 2011 period and verified whether or not required Section 8 03 (B) financial reports due on or before April 30, 2012 were sent to the LED Contract Monitor

Findings - The December 31, 2010 audited financial statements of Lighthouse were submitted to the LED Contract Monitor on January 23, 2012 which was almost nine months after the required submission date The December 31, 2011 financial statement audit is not completed as of the report date, therefore this requirement is not applicable to the current procedures

We are not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with the Cooperative Endeavor Agreement Accordingly, we do not express such an opinion Had we performed additional procedures, other matters might have come to our attention that would have been reported to you

This report is intended solely for the use of Lighthouse, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

New Orleans, Louisiana,  
February 16, 2012

**CAPITAL EXPENDITURES**  
**THROUGH NOVEMBER 15, 2011 (accrual basis)**

**The Lighthouse For The Blind in New Orleans, Inc.**

For the period from November 15, 2010 through December 31, 2011  
(Unaudited)

<u>Invoice Date</u>	<u>Vendor/Payee</u>	<u>Amount</u>
December 9, 2010	Marshall Family Investments, L L C	\$ 1,600,000
January 21, 2011	Deep South Equipment	8,995
January 27, 2011	Deep South Equipment	767
January 31, 2011	Deep South Equipment	1,027
March 9, 2011	Paper Machinery Corporation	4,396
March 11, 2011	Paper Machinery Corporation	1,010,150
March 11, 2011	Paper Machinery Corporation	71,900
March 17, 2011	MBC Signs	1,718
March 22, 2011	Machinery Movers	3,500
April 13, 2011	Whitney Bank - Apple	1,231
April 14, 2011	Paper Machinery Corporation	335,860
April 14, 2011	Paper Machinery Corporation	335,860
April 15, 2011	Landsource	150
April 19, 2011	Whitney Bank - Apple	2,371
May 8, 2011	Whitney Bank	111
May 8, 2011	Whitney Bank	213
May 31, 2011	Phillips Electric Company	20,600
June 1, 2011	Dell Marketing, L P	2,867
June 1, 2011	Dell Marketing, L P	2,867
June 6, 2011	Dell Marketing, L P	11,883
June 9, 2011	Dell Marketing, L P	10,642
June 9, 2011	Dell Marketing, L P	26,340
June 9, 2011	Dell Marketing, L P	1,056
June 10, 2011	Quality Compressed Air	3,479
June 28, 2011	Victory Packaging	5,744
June 29, 2011	Total Comfort Heating & Air Conditioning	834
June 30, 2011	Total Comfort Heating & Air Conditioning	6,130
July 7, 2011	Stanton's Ace Appliance	48
July 7, 2011	Stanton's Ace Appliance	570
July 14, 2011	Stanton's Ace Appliance	1,100
July 21, 2011	Phillips Electric Company	893
July 21, 2011	Phillips Electric Company	1,933
July 22, 2011	Paper Machinery Corporation	4,400
July 29, 2011	Team Toyota	27,434
July 31, 2011	Southern Automation	4,944
August 8, 2011	Whitney Bank/Provantage	1,036
August 9, 2011	The Hon Company	4,210
August 29, 2011	Coleman Partners	68,384



**Schedule 1  
(Continued)**

<u>Invoice Date</u>	<u>Vendor/Payee</u>	<u>Amount</u>
August 31, 2011	Stanton's Ace Appliance	99
September 26, 2011	Dell Marketing, L P	247
September 27, 2011	Quality Compressed Air	59,062
September 28, 2011	The Hon Company	3,763
September 28, 2011	The Hon Company	4,692
September 28, 2011	The Hon Company	2,242
September 30, 2011	Dell Marketing, L P	2,746
October 12, 2011	Victory Packaging	11,043
October 12, 2011	Phillips Electric Company	42,000
October 13, 2011	Paper Machinery Corporation	59
October 20, 2011	Phillips Electric Company	35,000
October 24, 2011	Freedom Scientific	1,557
October 24, 2011	Freedom Scientific	2,097
October 31, 2011	Paper Machinery Corporation	44,630
October 31, 2011	Paper Machinery Corporation	44,630
November 8, 2011	Phillips Electric Company	41,000
November 10, 2011	Phillips Electric Company	25,450
November 14, 2011	Phillips Electric Company	6,696
Total capital expenditures		<u>\$ 3,912,656</u>

**FULL TIME JOBS CREATED****The Lighthouse For The Blind in New Orleans, Inc.**

For the period from November 15, 2010 through December 31, 2011  
(Unaudited)

**New Full Time Jobs (min 30 hrs Per Week)**

<u>Job Description</u>	<u>Wages</u>
Bagger 1	\$ 7,168
Bagger 2	3,877
Boxer 1	6,977
Boxer 2	4,677
Daily Living Skills Instructor	15,488
Director of Service	30,187
Evening Shift Supervisor	8,324
Job Coach	10,989
Job Developer	11,165
Machine Operator 1 (2)	8,885
Machine Operator 2	1,045
Maintenance Technician	42,963
Office Coordinator	11,719
Orientation & Mobility Instructor	1,696
Production Manager	22,443
Quality Receiving Inspector	12,518
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Total payroll (17)	<u>\$ 200,121</u>

**QUARTERLY PROGRESS REPORT FILINGS****The Lighthouse For The Blind in New Orleans, Inc.**For the period from November 15, 2010 through December 31, 2011  
(Unaudited)

<b><u>Progress Report</u></b>	<b><u>Date Prepared</u></b>	<b><u>Date Sent</u></b>
4th Quarter 2010	January 21, 2012	January 23, 2012
1st Quarter 2011	May 1, 2011	May 2, 2011
2nd Quarter 2011	July 21, 2011	July 21, 2011
3rd Quarter 2011	November 1, 2011	November 1, 2011
4th Quarter 2011	In process	Not filed as of report date