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Financial Report

The Lighthouse For The Blind In New Orleans, Inc.

December 31, 2007

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 6/11/08

Bourgeois Bennett

Certified Public Accountants | Consultants
A Limited Liability Company

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December 31, 2007

FINANCIAL SECTION

Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of The Lighthouse For The Blind in New Orleans, Inc. (a non-profit organization) as of December 31, 2007, and the related statements of activities, functional expenses and cash flows for the year 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 audit.

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. 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 audit provides 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 The Lighthouse For The Blind in New Orleans, Inc. as of December 31, 2007, 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.

1340 West Tunnel Blvd., Suite 430
P. O. Box 2168
Houma, LA 70361-2168
Phone (985) 868-0139
Fax (985) 879-1949

Certified Public
Accountants | Consultants
A Limited Liability Company

P. O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, 17th Floor
Phone (504) 831-4949
Fax (504) 833-9093

507-D St. Philip Street
P. O. Box 1205
Thibodaux, LA 70302-1205
Phone (985) 447-5243

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2008 on our consideration of The Lighthouse For The Blind in New Orleans, 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 audit.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
May 27, 2008.

Exhibit A

STATEMENT OF FINANCIAL POSITION

The Lighthouse For The Blind in New Orleans, Inc.

December 31, 2007

Assets	
Cash and cash equivalents	$ 1,527,258
Accounts receivable, net	718,595
Capital Fund Drive receivable	152,407
Inventory	1,552,923
Prepaid expenses	148,469
Investments	1,681,268
Property and equipment, net of accumulated deprecation	2,927,783
Total assets	$ 8,708,703
Liabilities	
Accounts payable	$ 939,826
Accrued expenses	285,277
Payroll and sales tax payable	38,112
Line of credit	856,000
Note payable - bank	664,611
Notes payable - others	57,101
Total liabilities	2,840,927
Net Assets	
Unrestricted	5,406,465
Temporarily restricted	461,311
Total net assets	5,867,776
Total liabilities and net assets	$ 8,708,703

See notes to financial statements.

Exhibit B

STATEMENT OF ACTIVITIES

The Lighthouse For The Blind in New Orleans, Inc.

For the year ended December 31, 2007

	Unrestricted	Temporarily Restricted	Totals
Revenues			
Sales, net	$ 5,776,528	$ -	$ 5,776,528
State of Louisiana Budget Appropriation	500,000	-	500,000
Contributions	235,753	-	235,753
Grants	228,380	-	228,380
Investment income	152,185	23,549	175,734
Capital Fund Drive	-	154,486	154,486
Insurance recovery	115,301	-	115,301
Other	66,097	-	66,097
Royalty income	16,354	-	16,354
Rental income	15,450	-	15,450
Gain on sale of property and equipment	8,963	-	8,963
Auxiliary	6,090	-	6,090
Total support and revenues	7,121,101	178,035	7,299,136
Net assets released from restrictions:			
Expiration of time restrictions and program restrictions satisfied through payments	440,364	(440,364)	-
Total revenues, support and net assets released from restrictions	7,561,465	(262,329)	7,299,136
Expenses			
Program services	5,616,096	-	5,616,096
General and administrative	1,182,658	-	1,182,658
Fundraising	85,644	-	85,644
Total expenses	6,884,398	-	6,884,398
Change in Net Assets	677,067	(262,329)	414,738
Net Assets			
Beginning of year	4,729,398	723,640	5,453,038
End of year	$ 5,406,465	$ 461,311	$ 5,867,776

See notes to financial statements.

Exhibit C

STATEMENT OF FUNCTIONAL EXPENSES

The Lighthouse For The Blind in New Orleans, Inc.

For the year ended December 31, 2007

	Program Services	General and Administrative	Fundraising	Total
Advertising and promotion	$ 105,504	$ 1,360	$ 10,720	$ 117,584
Bad debt expense	-	21,953	-	21,953
Bank fees	500	16,719	-	17,219
Commissions	505,027	-	-	505,027
Computer services	10,185	39,784	-	49,969
Copier maintenance	3,226	2,107	70	5,403
Depreciation	231,516	32,723	3,268	267,507
Dues and subscriptions	215	1,716	3,497	5,428
Equipment rental	8,089	1,718	622	10,429
Food and entertainment	11,115	4,882	110	16,107
Freight	339,725	-	-	339,725
General insurance	128,260	30,491	528	159,279
Health insurance	254,171	59,650	7,199	321,020
Interest	-	105,508	-	105,508
Low vision devices for clients	84,554	-	-	84,554
Miscellaneous	8,665	8,495	5,122	22,282
Payroll taxes	249,499	45,583	3,249	298,331
Postage	5,208	3,618	2,384	11,210
Professional fees	81,901	43,126	-	125,027
Rent	46,806	4,800	-	51,606
Repairs - building	23,204	-	-	23,204
Repairs - equipment	71,480	1,018	-	72,498
Salaries and labor	2,830,829	681,227	45,365	3,557,421
Staff training and recruiting	13,941	4,605	460	19,006
Stationery and supplies	169,122	26,747	1,411	197,280
Telephone	39,430	11,131	503	51,064
Trash disposal	17,478	3,566	345	21,389
Travel	143,242	12,582	51	155,875
Utilities	216,472	16,554	740	233,766
Vehicle operation and repair	16,732	995	-	17,727
Total expenses	$ 5,616,096	$ 1,182,658	$ 85,644	$ 6,884,398

See notes to financial statements.

Exhibit D

STATEMENT OF CASH FLOWS

The Lighthouse For The Blind in New Orleans, Inc.

For the year ended December 31, 2007

Cash Flows From Operating Activities:	
Change in net assets	$ 414,738
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Bad debts	21,953
Depreciation	267,507
Amortization of bond discount	626
Realized gain on investments	(18,339)
Unrealized gain on investments	(69,241)
Gain on sale of property and equipment	(8,963)
Decrease (increase) in assets:	
Grant receivable	250,000
Accounts receivable	251,378
Capital Fund Drive receivable	91,056
Inventory	(55,656)
Prepaid expenses	(52,011)
Increase (decrease) in liabilities:	
Accounts payable	80,925
Accrued expenses	50,222
Payroll and sales taxes payable	(11,091)
Total adjustments	798,366
Net cash provided by operating activities	1,213,104
Cash Flows From Investing Activities:	
Purchases of property, plant and equipment	(748,176)
Proceeds from sale of property and equipment	8,963
Proceeds from sale of investments	232,583
Purchases of investments	(213,876)
Net cash used in investing activities	(720,506)

Cash Flows From Financing Activities:	
Payments on line of credit, net of new borrowings	(21,000)
Payments on note payable-bank	(44,305)
Net cash used in financing activities	(65,305)
Net Increase in Cash and Cash Equivalents	427,293
Cash and Cash Equivalents	
Beginning of year	1,099,965
End of year	$ 1,527,258

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

The Lighthouse For The Blind in New Orleans, Inc.

December 31, 2007

Note 1 - NATURE OF ACTIVITIES

The Lighthouse For The Blind in New Orleans, Inc. ("the Organization") is a non-profit organization dedicated to promoting independence for people who are blind and visually impaired by providing programs that focus on economic opportunity and self reliance. In addition to a core, modern manufacturing operation that employs people with vision impairments, the Organization offers a range of independent living, competitive employment and health related services. The Organization is headquartered in New Orleans and has additional operations in Gulfport and Crystal Springs, Mississippi.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization and Income Taxes

The Organization is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S. 47:121(5).

b. Basis of Accounting

The Organization recognizes revenue and records expenses on the accrual basis of accounting. Under this method, revenue is recognized when earned, and expenses are recorded when the liability is incurred.

c. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-For-Profit Organizations." Under SFAS No. 117, net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation (Continued)

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor - imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization does not have any permanently restricted net assets at December 31, 2007.

d. Use of Estimates

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

e. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less and investments in money market accounts to be cash equivalents, except for money market funds maintained in investment brokerage accounts which are reported as investments.

f. Revenue Recognition

Revenue is recognized upon shipment of the product or completion of the service.

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Revenue Recognition (Continued)

a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reported as unrestricted support.

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

g. Allowance For Doubtful Accounts

The allowance for doubtful accounts is estimated based on the Organization's historical losses, the existing economic conditions, and the financial stability of its customers. Management closely monitors outstanding accounts receivable and charges off to expense any balances that are determined to be uncollectible and establishes and allowance for estimated uncollectible accounts receivable. The allowance for doubtful accounts was $57,635 at December 31, 2007.

h. Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes all costs with an estimated useful life greater than one year and an original cost of at least $1,000. Expenditures for maintenance, repairs and minor renewals are charged against earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Depreciation is provided principally on the straight-line method, over the following estimated useful lives:

Building and improvements	10 - 50 years
Furniture and equipment	10 years
Machinery and equipment	10 - 20 years
Vehicles	4 years
Computer equipment	3 - 5 years

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Investments

Investments in common stocks and bonds are stated a fair value, based on quoted market prices for the investments. Realized and unrealized gains and losses are included in the change of net assets in the accompanying statement of activities. Real estate is carried at cost which approximates the market value.

j. Allocated Expenses

The costs of providing the various programs and other activities are summarized in the statement of functional expenses. Certain expenses have been allocated among the programs and support services based on management's estimates of the costs involved.

k. Donated Services of Volunteers

A substantial number of volunteers have donated significant amounts of their time in the conduct of the Organization 's program services. However, no amounts have been included in the financial statements for donated services since no objective basis is available to measure the value of such services.

l. Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs totaled $117,584 for the year ended December 31, 2007.

Note 3 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents accounts at financial institutions that insure cash balances of up to $100,000 through the Federal Deposit Insurance Corporation. As of December 31, 2007, the Company had approximately $1,561,000 in uninsured cash balances.

Note 4 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. Restrictions are considered to expire when payment for the designated purpose is made. Temporarily restricted net assets at December 31, 2007 are as follows:

Unused Capital Fund Donations	$ 329,766
Ivy Brown Fund	72,794
Enrichment of the Blind	45,253
Auxiliary Fund	13,098
Hurricane Katrina Employee Relief Fund	400
Totals	$ 461,311

The capital fund consists of the $314,462 balance as of January 1, 2007 plus $154,486 in donations recorded this year plus $9,119 of interest, less the $148,301 cost of improvement in 2007.

Mrs. Ivy Brown willed part of her estate to the Organization. The will stated that the bequest will be kept in trust by the Greater New Orleans Foundation.

The Enrichment of the Blind fund was restricted for use only for the enhancement and improvement in the lives of blind persons involved within the Organization.

The Lighthouse For The Blind in New Orleans, Inc.'s Auxiliary maintains its cash account in the Organization.

The Hurricane Katrina Employee Relief Fund consists of donations restricted to help the employees of The Lighthouse For The Blind in New Orleans, Inc. with their losses caused by hurricane Katrina.

Note 5 - CAPITAL FUND DRIVE

As part of the Capital Fund Drive campaign, the Organization has remaining pledges of $163,508 from donors. These pledges are for the years 2008 and 2009. The pledges have been recorded at the net present value of $152,407, which is net of the unamortized discount of $11,101, using a rate of 7.25%.

Note 6 - INVENTORY

Inventory of raw materials is valued at the lower of cost using a weighted moving average method which approximates the first-in, first-out method or market. The retail stores inventory is valued at the lower of cost using the first-in, first-out method or market. The burden is an estimate of the direct labor on overhead cost related to a completed product. Such labor and burden costs are not material to the financial statements taken as a whole. Finished goods are valued at the weighted moving average costs developed for the individual items on the basis of current material and burden rates at the completion of production. Details of inventory are as follows:

Raw material	$ 1,042,784
Finished goods	510,139
Total	$ 1,552,923

Note 7 - SALES, NET OF MATERIALS

The majority of the Organization's operating revenue is from the sale of manufactured products. The Organization records sales net of the material costs. Net sales for the year ended December 31, 2007 are as follows.

Operating revenue	$ 15,542,690
Less materials	(9,766,162)
Sales, net	$ 5,776,528

Note 8 - MAJOR CUSTOMER

Sales to one customer amounted to approximately $ 10,200,000, or 66 % of total operating revenue in 2007.

Note 9 - INVESTMENTS

The Organization's investments are summarized below:

	Cost	Market	Unrealized Gain (Loss)
Common stock and account maintained at Greater New Orleans Foundation	$ 831,934	$ 1,171,400	$ 339,466
Bonds	458,481	453,602	(4,879)
Money market account	17,805	17,805	-
	1,308,220	1,642,807	334,587
Vacant land	38,461	38,461	-
Totals	$ 1,346,681	$ 1,681,268	$ 334,587

	Cost	Market Value	Excess of Market Value Over Cost
Balances at June 30, 2007	$ 1,346,681	$ 1,681,268	$ 334,587
Balances at June 30, 2006	$ 1,347,675	$ 1,613,021	265,346
Increase in unrealized appreciation			$ 69,241

Investment return is summarized as follows:

Interest and dividend income, net	$ 88,154
Net realized and unrealized gains	87,580
Total investment income	$ 175,734

Expenses relating to investment revenues, including custodial fees and investment advisory fees, and fees due to sales of investment real estate, amounting to $ 6,709, have been netted against investment revenues in the accompanying Statement of Activities.

Note 10 - PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

Land	$ 119,802
Construction in progress	388,585
Buildings and improvements	1,996,879
Machinery and equipment	3,173,272
Computer equipment	509,005
Furniture and equipment	200,937
Automobiles	97,590
	6,486,070
Less accumulated depreciation	(3,558,287)
Totals	$ 2,927,783

Depreciation expense for the year ended December 31, 2007 was $267,507.

Note 11 - LINE OF CREDIT

The Organization has a line of credit with a local bank with a borrowing limit of $900,000. The interest rate on the line of credit was 6.98625% as of December 31, 2007. The line of credit matures on July 7, 2008 and is secured with investments maintained by the Organization. The balance outstanding as of December 31, 2007 was $856,000 and $44,000 available for borrowing at year end.

Note 12 - NOTES PAYABLE

The Organization has a note payable to a local bank secured by machinery and equipment. The $800,000 note dated November 21, 2005 matures on November 21, 2012 with a balloon payment of $290,480. The note is payable in equal monthly installments of $8,489 including interest at 5.01%. The balance of the note at December 31, 2007 was $664,611.

The Organization borrowed $50,000 from National Industries for the Blind to assist with Hurricane Katrina expenses. The note is non-interest bearing. The Organization will make twelve equal monthly payments of $4,167, beginning in January 2008. The Organization also owes a company $7,101 on an equipment purchase agreement.

Note 12 - NOTES PAYABLE (Continued)

The future payments on notes payable are summarized as follows:

Year Ending December 31,	Amounts
2008	$ 127,270
2009	73,767
2010	77,549
2011	81,524
2012	361,602
Total	$ 721,712

Note 13 - LEASE COMMITMENT

The Organization leases land used as a parking lot from the City of New Orleans under a lease agreement which expires in 2030 with payments of $4,800 per year. This lease is automatically extended for 2 additional terms of 15 years each unless the lessee gives notice of its intent not to renew at least 30 days prior to the expiration of the current lease. Lease expense for the year ended December 31, 2007 was $4,800.

The Organization leases a building in Mississippi with monthly lease payments of $3,900. The lease agreement expires on October 31, 2008. Lease expense of for the year ended December 31, 2007 was $46,806.

Future lease commitments are as follows:

Year Ending December 31,	Amounts
2008	$ 43,804
2009	4,800
2010	4,800
2011	4,800
2012	4,800
Subsequent years	85,200
Total	$ 148,204

Note 14 - RENTAL INCOME

The Organization entered into a rental income agreement with a non-profit organization to sub-lease warehouse space located in Mississippi. The lease agreement in on a month-to-month basis and rental income for this lease was $6,000 for the year ended December 31, 2007.

The Organization entered into a rental income agreement with a communications company to rent space utilized by the company's telecommunication equipment. The lease expires on May 28, 2009. Monthly rental payments are $788. Rental income for this lease was $9,450 for the year ended December 31, 2007.

Future rental income is as follows:

Year Ending December 31,	Amounts
2008	$ 9,450
2009	3,938
Total	$ 13,388

Note 15 - EMPLOYEE BENEFIT PLAN

The Organization sponsors a profit-sharing 403(b) plan, which covers substantially all employees. The plan allows the Organization to make discretionary contributions by matching a percentage of employee contributions limited by federal tax law. Total employee matching expense for the year ended December 31, 2007 was $57,954.

Note 16 - CASH AND CASH FLOW INFORMATION

Interest paid during the year ended December 31, 2007 was as follows:

Interest	$ 105,508

SPECIAL REPORTS BY CERTIFIED PUBLIC ACCOUNTANTS

Bourgeois Bennett

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

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

We have audited the financial statements of The Lighthouse For The Blind in New Orleans, Inc. (the "Organization") as of and for the year ended December 31, 2007 and have issued our report thereon dated May 27, 2008. 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 the Organization'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 Organization's internal control over financial reporting.

A control deficiency exists when the 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 combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, 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 Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

1340 West Tunnel Blvd., Suite 430
P. O. Box 2168
Houma, LA 70361-2168
Phone (985) 868-0139
Fax (985) 879-1949

Certified Public
Accountants | Consultants
A Limited Liability Company

P. O. Box 60600
New Orleans, LA 70160-0600
Heritage Plaza, 17th Floor
Phone (504) 831-4949
Fax (504) 833-9093

507-D St. Philip Street
P. O. Box 1205
Thibodaux, LA 70302-1205
Phone (985) 447-5243

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 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,
May 27, 2008.

SCHEDULE OF FINDINGS AND RESPONSES

The Lighthouse For The Blind In New Orleans, Inc.
For the year ended December 31, 2007

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes _X_ no
- Significant deficiency (ies) identified that are not considered to be material weakness ___ yes _X_ none reported

Noncompliance material to financial statements noted? ___ yes _X_ no

b) Federal Awards

The Lighthouse For The Blind in New Orleans, Inc. did not receive federal awards in excess of $500,000 during the year ended December 31, 2007 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section II - Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended December 31, 2007.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

<u>SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES</u>

The Lighthouse For The Blind In New Orleans, Inc.

For the year ended December 31, 2007

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

Internal Control

No material weaknesses were noted during the audit of the financial statements for the year ended December 31, 2006.

No reportable conditions were reported during the audit of the financial statements for the year ended December 31, 2006.

Compliance

No compliance findings material to the financial statements were noted during the audit of the financial statements for the year ended December 31, 2006.

Section II - Internal Control and Compliance Material To Federal Awards

The Lighthouse For The Blind in New Orleans, Inc. did not receive federal awards in excess of $500,000 during the year ended December 31, 2006 and, therefore, was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, <u>Audits of States, Local Government, and Non-Profit Organizations</u>.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2006.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Lighthouse For The Blind In New Orleans, Inc.

For the year ended December 31, 2007

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

Internal Control Over Financial Reporting

No material weaknesses were noted during the audit of the financial statements for the year ended December 31, 2007.

No significant deficient's were report ding the audit for the financial statements for the year ended December 31, 2007.

Compliance and Other Matters

No compliance were noted during the audit for the year ended December 31, 2007.

Section II - Internal Control and Compliance Material To Federal Awards

The Lighthouse For The Blind in New Orleans, Inc. did not expend Federal awards in excess of $500,000 during the year ended December 31, 2007 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended December 31, 2007.