

**Louisiana Assistive Technology  
Access Network  
Baton Rouge, Louisiana  
August 31, 2010**

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.

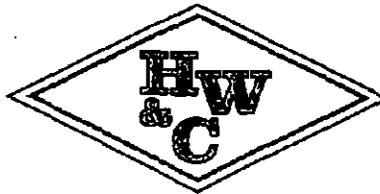
Release Date 3/16/11

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December 2, 2010

**Independent Auditor's Report**

Board of Directors  
Louisiana Assistive Technology Access Network  
Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statements of financial position of the

**Louisiana Assistive Technology Access Network  
(LATAN)  
(A Non-Profit Corporation)  
Baton Rouge, Louisiana**

as of August 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of 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 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 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 the Louisiana Assistive Technology Access Network as of August 31, 2010 and 2009, 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 our report dated December 2, 2010, on our consideration of the Louisiana Assistive Technology Access Network'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 considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Louisiana Assistive Technology Access Network taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

**Louisiana Assistive Technology Access Network  
Statements of Financial Position  
August 31, 2010 and 2009**

<b>A s s e t s</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Current Assets</b>		
Cash and cash equivalents	\$1,612,318	\$1,508,126
Accounts receivable	50,000	11,035
Accrued interest	314	4,114
Prepaid expenses	28,794	17,228
Deposits	<u>4,813</u>	<u>11,356</u>
<b>Total current assets</b>	<b><u>1,696,239</u></b>	<b><u>1,551,859</u></b>
<b>Restricted Cash</b>	<u>326,973</u>	<u>331,798</u>
<b>Property and Equipment</b>		
Computer equipment	200,645	188,034
Furniture and fixtures	58,943	47,411
Telephone equipment	7,867	8,591
Assistive devices	406,984	403,702
Signs	<u>610</u>	<u>610</u>
	675,049	648,348
Less accumulated depreciation	<u>393,366</u>	<u>305,945</u>
<b>Net property and equipment</b>	<b><u>281,683</u></b>	<b><u>342,403</u></b>
<b>Total assets</b>	<b><u>2,304,895</u></b>	<b><u>2,226,060</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	12,646	6,792
Accrued liabilities	37,160	39,290
Deferred income	<u>142,981</u>	<u>184,767</u>
<b>Total current liabilities</b>	<b><u>192,787</u></b>	<b><u>230,849</u></b>
<b>Net Assets</b>		
Unrestricted	717,888	554,796
Temporarily restricted	<u>1,394,220</u>	<u>1,440,415</u>
<b>Total net assets</b>	<b><u>2,112,108</u></b>	<b><u>1,995,211</u></b>
<b>Total liabilities and net assets</b>	<b><u>2,304,895</u></b>	<b><u>2,226,060</u></b>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network  
Statements of Activities  
Years Ended August 31, 2010 and 2009**

	<u>August 31, 2010</u>			<u>August 31, 2009</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue</b>						
Federal grants	\$525,369		\$525,369	\$471,615		\$471,615
State contracts	773,999		773,999	700,000		700,000
Program service fees	9,035		9,035	5,335		5,335
Public Support						
Contributions	11,931	\$10,680	22,611	21,137		21,137
Grants	3,534		3,534	32,000		32,000
Gaming revenue	16,768		16,768	1,450		1,450
Interest	2,226	10,763	12,989	3,659	\$41,077	44,736
Other income	1,361		1,361			
Net assets released from restrictions in satisfaction of program restrictions	<u>67,638</u>	<u>(67,638)</u>	<u>          </u>	<u>72,756</u>	<u>(72,756)</u>	<u>          </u>
<b>Total revenue</b>	<b><u>1,411,861</u></b>	<b><u>(46,195)</u></b>	<b><u>1,365,666</u></b>	<b><u>1,307,952</u></b>	<b><u>(31,679)</u></b>	<b><u>1,276,273</u></b>
<b>Expenses</b>						
Program	1,001,802		1,001,802	838,865		838,865
Fund raising	41,453		41,453	56,700		56,700
General and administrative	<u>205,514</u>	<u>          </u>	<u>205,514</u>	<u>231,689</u>	<u>          </u>	<u>231,689</u>
<b>Total expenses</b>	<b><u>1,248,769</u></b>	<u>          </u>	<b><u>1,248,769</u></b>	<b><u>1,127,254</u></b>	<u>          </u>	<b><u>1,127,254</u></b>
<b>Increase (Decrease) in Net Assets</b>	163,092	(46,195)	116,897	180,698	(31,679)	149,019
Net Assets, beginning of year	<u>554,796</u>	<u>1,440,415</u>	<u>1,995,211</u>	<u>374,098</u>	<u>1,472,094</u>	<u>1,846,192</u>
Net Assets, end of year	<u><u>717,888</u></u>	<u><u>1,394,220</u></u>	<u><u>2,112,108</u></u>	<u><u>554,796</u></u>	<u><u>1,440,415</u></u>	<u><u>1,995,211</u></u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network  
Statement of Functional Expenses  
Year Ended August 31, 2010**

	Program Expenses						Total Program Expenses	General and Admin- istrative	Fund Raising	Total
	Loan Program (Title III)	Device Reutili- zation	Device Demon- strations	Device Loan Program	Public Awareness	Other				
<b>Salaries</b>	<u>\$83,116</u>	<u>\$29,153</u>	<u>\$118,724</u>	<u>\$47,144</u>	<u>\$118,499</u>	<u>\$81,558</u>	<u>\$478,194</u>	<u>\$150,280</u>	<u>\$26,535</u>	<u>\$655,009</u>
<b>Payroll Taxes and Benefits</b>										
Social security/Medicare	6,285	2,245	9,137	3,595	9,115	6,356	36,733	11,610	2,033	50,376
Health insurance	6,674	1,119	2,094	544	4,494	1,805	16,730	4,087	889	21,706
Unemployment insurance	350	148	482	200	362	280	1,822	450	144	2,416
Employee retirement	3,022	773	678	339	1,839	3,048	9,699	3,522	262	13,483
Other	2,387	960	4,048	1,680	3,140	1,897	14,112	2,051	215	16,378
<b>Total</b>	<u>18,718</u>	<u>5,245</u>	<u>16,439</u>	<u>6,358</u>	<u>18,950</u>	<u>13,386</u>	<u>79,096</u>	<u>21,720</u>	<u>3,543</u>	<u>104,359</u>
<b>Contracts/Consultants</b>										
Audit								9,150		9,150
Legal						2,521	2,521	5		2,526
Public relations services			250		5,405	5,479	11,134			11,134
Training/technical assistance								1,013		1,013
Website	523	209	783	300	1,467	403	3,685	724		4,409
Reboot computer payments		4,760					4,760			4,760
Equipment transportation	6	11	11	11	308	6	353			353
Partnership contracts						87,284	87,284			87,284
Other	1,548	64	314	88	301	604	2,919	1,503		4,422
<b>Total</b>	<u>2,077</u>	<u>5,044</u>	<u>1,358</u>	<u>399</u>	<u>7,481</u>	<u>96,297</u>	<u>112,656</u>	<u>12,395</u>		<u>125,051</u>
<b>Travel</b>										
Board members					219		219	5,676	760	6,655
Advisory Council	1,856				302	1,010	3,168			3,168
Staff	4,641	507	3,409	1,275	3,389	2,235	15,456	1,455	251	17,162
Task Force members/volunteers	4	2	8	4	419	4	441			441
<b>Total</b>	<u>6,501</u>	<u>509</u>	<u>3,417</u>	<u>1,279</u>	<u>4,329</u>	<u>3,249</u>	<u>19,284</u>	<u>7,131</u>	<u>1,011</u>	<u>27,426</u>
<b>Printing and Supplies</b>										
Assistive devices	220		2,860	1,090		10,812	14,982			14,982
Software, books, subscriptions, dues	1,223	484	1,833	670	2,209	957	7,376	1,214	275	8,865
Office supplies	3,765	1,370	7,100	4,050	7,848	3,106	27,239	1,268	461	28,968
Printing	645	196	683	364	13,342	356	15,586	283		15,869
Food & refreshments	28	11	41	20	2,641	133	2,874	20		2,894
<b>Total</b>	<u>5,881</u>	<u>2,061</u>	<u>12,517</u>	<u>6,194</u>	<u>26,040</u>	<u>15,364</u>	<u>68,057</u>	<u>2,785</u>	<u>736</u>	<u>71,578</u>
<b>Operating</b>										
Insurance	2,399	1,173	4,178	1,877	1,884	1,753	13,264	2,696	1,412	17,372
Occupancy	8,598	3,419	44,394	25,397	9,066	5,856	96,730	4,195	7,460	108,385
Postage	746	252	1,064	907	4,631	536	8,136	304	22	8,462
Property maintenance	1,792	672	6,447	4,126	1,688	1,225	15,950	757		16,707
Telecommunications	4,628	682	3,862	2,413	1,883	1,226	14,694	1,417	258	16,369
Depreciation			47,504	47,480			94,984			94,984
Loss on disposal of equipment			11	12			23			23
Other	734						734	1,834	476	3,044
<b>Total</b>	<u>18,897</u>	<u>6,198</u>	<u>107,460</u>	<u>82,212</u>	<u>19,152</u>	<u>10,596</u>	<u>244,515</u>	<u>11,203</u>	<u>9,628</u>	<u>265,346</u>
<b>Total functional expenses</b>	<u>135,190</u>	<u>48,210</u>	<u>259,915</u>	<u>143,586</u>	<u>194,451</u>	<u>220,450</u>	<u>1,001,802</u>	<u>205,514</u>	<u>41,453</u>	<u>1,248,769</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network**  
**Statement of Functional Expenses**  
**Year Ended August 31, 2009**

	<u>Program Expenses</u>						<u>Total Program Expenses</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
	<u>Loan Program (Title III)</u>	<u>Device Reutilization</u>	<u>Device Demonstrations</u>	<u>Device Loan Program</u>	<u>Public Awareness</u>	<u>Other</u>				
<b>Salaries</b>	<u>\$75,660</u>	<u>\$26,774</u>	<u>\$97,526</u>	<u>\$39,884</u>	<u>\$93,904</u>	<u>\$69,995</u>	<u>\$403,743</u>	<u>\$165,541</u>	<u>\$37,826</u>	<u>\$607,110</u>
<b>Payroll Taxes and Benefits</b>										
Social security/Medicare	5,659	1,970	7,436	3,077	7,089	5,338	30,569	12,459	2,894	45,922
Unemployment insurance	284	124	400	182	261	163	1,414	623	98	2,135
Health insurance	5,262	823	990	434	3,140	1,948	12,597	5,081	1,133	18,811
Employee retirement	2,790	880	440	329	1,957	2,459	8,855	3,587	706	13,148
Other	<u>1,607</u>	<u>762</u>	<u>1,912</u>	<u>780</u>	<u>3,044</u>	<u>1,206</u>	<u>9,311</u>	<u>2,603</u>	<u>368</u>	<u>12,282</u>
<b>Total</b>	<u>15,602</u>	<u>4,559</u>	<u>11,178</u>	<u>4,802</u>	<u>15,491</u>	<u>11,114</u>	<u>62,746</u>	<u>24,353</u>	<u>5,199</u>	<u>92,298</u>
<b>Contracts/Consultants</b>										
Audit								8,650		8,650
Legal								2,060		2,060
Public relations services		500	750	595	7,243	175	9,263		147	9,410
Website	1,076	364	1,244	500	2,504	492	6,180	1,282	5,613	13,075
Reboot computer payments		3,754				235	3,989			3,989
Guaranteed loans	12,880						12,880			12,880
Equipment transportation		49	280	187	327	73	916			916
Other	<u>1,292</u>	<u>88</u>	<u>422</u>	<u>229</u>	<u>760</u>	<u>3,074</u>	<u>5,865</u>	<u>306</u>		<u>6,171</u>
<b>Total</b>	<u>15,248</u>	<u>4,755</u>	<u>2,696</u>	<u>1,511</u>	<u>10,834</u>	<u>4,049</u>	<u>39,093</u>	<u>12,298</u>	<u>5,760</u>	<u>57,151</u>
<b>Travel</b>										
Board members	24	9	30	12	1,535	12	1,622	9,214	2,634	13,470
Advisory Council	3,655				146	2,816	6,617			6,617
Staff	6,494	748	11,375	5,134	8,640	8,269	40,660	4,448	1,981	47,089
Task Force members/volunteers		6	22	2	857	834	1,721	4		1,725
<b>Total</b>	<u>10,173</u>	<u>763</u>	<u>11,427</u>	<u>5,148</u>	<u>11,178</u>	<u>11,931</u>	<u>50,620</u>	<u>13,666</u>	<u>4,615</u>	<u>68,901</u>
<b>Printing and Supplies</b>										
Assistive devices	2,705		6,489	4,797		7,310	21,301	1,491		22,792
Software, books, subscriptions, dues	2,673	606	1,987	809	2,063	849	8,987	887	234	10,108
Office supplies	3,482	966	5,733	2,672	6,548	1,405	20,806	1,721	343	22,870
Printing	1,896	3,566	1,088	826	8,715	743	16,834	81		16,915
Food & refreshments			34		2,442	45	2,521		96	2,617
<b>Total</b>	<u>10,756</u>	<u>5,138</u>	<u>15,331</u>	<u>9,104</u>	<u>19,768</u>	<u>10,352</u>	<u>70,449</u>	<u>4,180</u>	<u>673</u>	<u>75,302</u>
<b>Operating</b>										
Insurance	2,537	1,181	4,548	1,134	1,805	1,332	12,537	3,337	485	16,359
Occupancy	12,840	4,473	44,093	7,151	10,705	5,831	85,093	5,066	1,294	91,453
Postage	861	248	912	362	1,919	556	4,858	268	423	5,549
Property maintenance	3,380	1,061	3,504	1,748	2,396	1,294	13,383	770		14,153
Telecommunications	3,730	733	4,622	2,043	1,704	1,067	13,899	1,392	193	15,484
Personnel recruitment			5	5			10	10		20
Depreciation			41,018	41,018			82,036			82,036
Other	<u>106</u>	<u>32</u>	<u>106</u>	<u>39</u>	<u>72</u>	<u>43</u>	<u>398</u>	<u>808</u>	<u>232</u>	<u>1,438</u>
<b>Total</b>	<u>23,454</u>	<u>7,728</u>	<u>98,808</u>	<u>53,500</u>	<u>18,601</u>	<u>10,123</u>	<u>212,214</u>	<u>11,651</u>	<u>2,627</u>	<u>226,492</u>
<b>Total functional expenses</b>	<u>150,893</u>	<u>49,717</u>	<u>236,966</u>	<u>113,949</u>	<u>169,776</u>	<u>117,564</u>	<u>838,865</u>	<u>231,689</u>	<u>56,700</u>	<u>1,127,254</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network  
Statements of Cash Flows  
Years Ended August 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$116,897	\$149,019
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	94,984	82,036
Loss on disposal of equipment	23	
(Increase) Decrease in operating assets		
Restricted cash	4,825	15,105
Accounts receivable	(38,965)	(11,035)
Accrued interest	3,800	(2,065)
Prepaid expenses	(11,566)	(3,520)
Deposits	6,543	(4,914)
Increase (Decrease) in operating liabilities		
Accounts payable	5,854	(3,530)
Accrued liabilities	(2,130)	(1,729)
Deferred income	(41,786)	(141,132)
<u>Net cash provided by operating activities</u>	<u>138,479</u>	<u>78,235</u>
<b>Cash Flows From Investing Activities</b>		
Purchased equipment	<u>(34,287)</u>	<u>(220,830)</u>
<u>Net cash (applied to) investing activities</u>	<u>(34,287)</u>	<u>(220,830)</u>
<b>Net Increase (Decrease) in Cash</b>	104,192	(142,595)
<b>Cash, beginning of year</b>	<u>1,508,126</u>	<u>1,650,721</u>
<b>Cash, end of year</b>	<u>1,612,318</u>	<u>1,508,126</u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Assistive Technology Access Network**  
**Notes to Financial Statements**  
**August 31, 2010**

**Note 1-Summary of Significant Accounting Policies**

**A. Organization**

The Louisiana Assistive Technology Access Network (LATAN) is a nonprofit corporation which was organized November 9, 1994. LATAN is a consumer-directed, consumer-responsive organization whose mission is to assist individuals with disabilities to achieve a higher quality of life and greater independence through increased access to assistive technology as part of their daily lives. LATAN serves (1) individuals with disabilities or functional limitations, as well as their families and caregivers; (2) service providers; (3) system change advocates; and (4) employers, and other stakeholders. LATAN also provides education and information to Louisiana's citizens regarding the availability and benefits of, and access to technology that can assist people with disabilities or functional limitations.

Program services provided by LATAN include information and assistance, technical assistance and training for consumers and service providers, device loans, financial loans, device demonstrations, computer recycling, device exchange and emergency equipment distribution. Other programs include public awareness and systems change advocacy.

LATAN provides assistance for eliminating barriers that prevent citizens in Louisiana from acquiring assistive technology through the active involvement of consumers of assistive technology and collaboration with other agencies and organizations. Development of these relationships is vital to improving the service delivery systems and avoiding duplication of services.

**B. Basis of Accounting and Presentation**

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables, and other liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Not-For-Profit Entities topic of the FASB Accounting Standards Codification (formerly SFAS No. 117, Financial Statements of Non-Profit Organization). In applying the provisions of the topic, LATAN is not considered to be a health and welfare organization. However, under the topic, LATAN 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. LATAN has no permanently restricted net assets.

**C. Property and Equipment**

Property and equipment is recorded at cost; or, if donated, at fair market value at date of donation. Depreciation is provided for on a straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. Estimated useful lives range from 3 to 10 years.

Expenditures for major additions of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**Louisiana Assistive Technology Access Network**  
**Notes to Financial Statements**  
**August 31, 2010**

**Note 1-Summary of Significant Accounting Policies (Continued)**

**D. Income Taxes**

LATAN has been recognized by the Internal Revenue Service as a Not-For-Profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. Accordingly, no provision for income taxes on related income has been included in the financial statements.

In Management's judgment, LATAN does not have any tax position that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date.

With few exceptions, the statute of limitations for the examination of LATAN's income tax returns is generally three years from the due date of the tax returns including extensions. The tax Form 990 is prepared on a fiscal year basis. The tax years open for assessment are the years ending on or after August 31, 2007.

**E. Cash and Cash Equivalents**

For purposes of the balance sheets and the statements of cash flows, LATAN considers all highly liquid debt instruments purchased with a maturity of three months or less and any certificates of deposit that do not contain material early withdrawal penalties to be cash equivalents.

As required by law, LATAN holds all cash related to gaming activities in a separate account.

**F. Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management which might affect these financial statements include, but are not limited to the following items:

- Allocations of operating expenses between program activities and management and general function;
- Depreciable lives of fixed assets.

**G. Revenue and Support**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or when the purpose of the 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 within the same year as received are reported as unrestricted contributions in the accompanying financial statements. Program service fees are recognized as unrestricted revenue in the period when the services are provided.

**Louisiana Assistive Technology Access Network**  
**Notes to Financial Statements**  
**August 31, 2010**

**Note 1-Summary of Significant Accounting Policies (Continued)**

G. Revenue and Support (Continued)

Government grants, which are considered exchange transactions, are recognized as revenue when allowable costs are incurred to provide the services provided for under the terms of the grant agreement. Advances under the grants are recorded as deferred income until such time as they can be recognized as revenue.

H. Advertising Costs

Advertising costs are expensed as incurred. Total advertising expenses for 2010 and 2009 were \$11,134 and \$9,410, respectively.

I. Compensated Absences

Employees are allowed to carry over up to eighty (80) hours of annual leave to the following year, unless approval by the executive director is given to carryover more hours. Payment for unused annual leave is made upon an employee's termination.

The liability for accumulated unpaid annual leave is determined by using the number of vested vacation hours for each employee multiplied by the employee's wage rate at the end of the year.

The liability (\$16,111 and \$23,718 for 2010 and 2009, respectively) is included in accrued liabilities on the balance sheet.

J. Designations of Net Assets

Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments. Designations may be reversed by the board of directors at any time. There are no designated funds as of August 31, 2010 or 2009.

**Note 2-Restricted Cash**

LATAN is required to have on deposit with Regions Bank, as a surety, an amount equal to thirty-five percent of the principal loan balance and overdue interest as calculated at the end of each month, plus \$75,000. As of August 31, 2010 and 2009, LATAN has on deposit at Regions Bank for this purpose \$326,973 and \$331,798, respectively.

**Note 3-Federal Financial Assistance**

LATAN was awarded a grant from the Rehabilitation Services Administration, U.S. Department of Education in 2009 and has participated in the Alternative Financing Program through the U.S. Department of Education's National Institute on Disability and Rehabilitation since 2002. The grants are explained as follows.

**Louisiana Assistive Technology Access Network  
Notes to Financial Statements  
August 31, 2010**

**Note 3-Federal Financial Assistance (Continued)**

Assistive Technology Grant

The Assistive Technology Grant provides funding for assistive technology services for Louisiana individuals with disabilities. The grant is a cost reimbursement type grant, which means that revenue is recognized when allowable costs are incurred.

Alternative Financing Program

In August of 2002, LATAN received a \$1,500,000 federal grant and \$500,000 state grant to administer an Alternative Financing Program under Title III of the Assistive Technology Act of 1988. The Alternative Financing Program's purpose is to provide loans to individuals with disabilities, irrespective of their age or annual income, so that they can acquire assistive technology to improve their quality of life. LATAN partnered with Regions Bank to facilitate the loan process. Regions Bank agreed to offer the loans at below market interest rates with extended repayment periods. In cases where Regions Bank cannot loan the applicant money because its loan criteria is not met, LATAN will reevaluate the denied application and, if the circumstances warrant, LATAN will approve the loan, and in the event the borrower defaults, use grant proceeds to guarantee the repayment of the loan to Regions Bank. During 2010 fourteen new guaranteed loans were made totaling \$257,045. At August 31, 2010, guaranteed loans totaled approximately \$719,923.

The grant is considered to be a temporarily restricted contribution. Accordingly, restrictions are released when direct and indirect costs are incurred to operate the program. The term of the grant also limits the amount of indirect costs that may be charged to the grant in a fiscal year.

**Note 4-Restrictions on Net Assets**

Temporarily restricted net assets are available for the following use:

	<u>2010</u>	<u>2009</u>
Alternative Financing Program	\$1,392,515	\$1,437,053
Emergency Preparedness and Response Projects	698	3,362
Computer ReUse Program	<u>1,007</u>	<u>          </u>
	<u>1,394,220</u>	<u>1,440,415</u>

LATAN has no permanently restricted net assets.

**Note 5-Lease Commitment**

LATAN leases its office facility and storage space under operating leases expiring in various years through August 31, 2012. Rental expenses under these leases were \$58,860 and \$57,660 in 2010 and 2009, respectively. The following is a schedule of the future minimum lease payments:

2011	\$60,060
2012	5,013

**Louisiana Assistive Technology Access Network**  
**Notes to Financial Statements**  
**August 31, 2010**

**Note 6-Pension Plan**

LATAN has a retirement savings 403(b) plan in which substantially all employees may participate. LATAN matches employee contributions dollar for dollar up to 5% of gross wages for participating employees. LATAN's expense for the plan was \$13,482 and \$13,148 for 2010 and 2009, respectively.

**Note 7-Concentrations of Credit Risk**

LATAN maintains its cash balances at several local banks. Non-interest bearing accounts at each bank are insured by the Federal Deposit Insurance Corporation without limit. At August 31, 2010 and 2009, funds for the Alternative Financing Program were collateralized by securities held in a joint custodial account in LATAN's name. As of August 31, 2010, LATAN's cash balance was under-collateralized by \$285,087. There were no un-collateralized balances as of August 31, 2009.

**Note 8-Contingencies - Grant Program**

LATAN participates in federal grant programs which are governed by various rules and regulations. Costs charged to the grant programs are subject to audit and adjustment by the grantor agency; therefore, to the extent that LATAN has not complied with the rules and regulations governing the grants, refunds of any money received and the collectibility of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and LATAN.

**Note 9-Economic Dependency**

LATAN receives the majority of its revenue from funds provided by the Assistive Technology Act through the U.S. Department of Education's Rehabilitation Services Administration and by the Louisiana State General Fund. All funds received are federal and state funds and are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal or state level, the amount of funds received by LATAN could be reduced by an amount that could adversely impact its operations. Management is not aware of any actions that have been taken or are proposed to be taken by the federal government that will adversely impact LATAN's grant for the fiscal year ending August 31, 2011. LATAN anticipates a decrease of approximately 40% in appropriations from the Louisiana General Fund for the fiscal year ending August 31, 2011.

**Note 10-Board of Directors Compensation**

The Board of Directors is a voluntary board; therefore, no compensation or per diem has been paid to any Director.

**Note 11-Subsequent Event**

LATAN evaluated all subsequent events through December 2, 2010, the date the financial statements were available to be issued.

**Supplementary Information**

**Louisiana Assistive Technology Access Network  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2010**

**Note 1-Basis of Presentation**

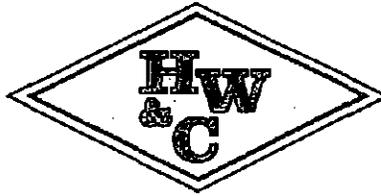
The accompanying Schedule of Expenditures of Federal Awards includes the federal expenditures of the Louisiana Assistive Technology Access Network and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Disburse- ments/ Expenditures</u>
Department of Education		
Louisiana Department of Health and Hospitals:		
State Grant for Assistive Technology Program*	84.224A	\$ <u>525,369</u>
		<u>525,369</u>

\*Denotes major program

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.  
LOUIS C. McKNIGHT, III, C.P.A.  
CHARLES R. PEVEY, JR., C.P.A.  
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CERTIFIED PUBLIC ACCOUNTANTS

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December 2, 2010

**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 Assistive Technology Access Network  
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Assistive Technology Access Network (LATAN) (A Non-Profit Corporation), as of and for the year ended August 31, 2010, and have issued our report thereon dated December 2, 2010. 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 LATAN'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 LATAN's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LATAN's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or 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 LATAN'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 a single instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2010-01 on page 22.

LATAN's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit LATAN's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, 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.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

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December 2, 2010

**Report on Compliance with Requirements Applicable to  
Each Major Program and on Internal Control over Compliance  
In Accordance with OMB Circular A-133**

Board of Directors  
Louisiana Assistive Technology Access Network  
Baton Rouge, Louisiana

Members of the Board:

Compliance

We have audited Louisiana Assistive Technology Access Network's compliance 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 August 31, 2010. Louisiana Assistive Technology Access Network'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 Assistive Technology Access Network's management. Our responsibility is to express an opinion on Louisiana Assistive Technology Access Network's compliance based on our audit.

We conducted our 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 we 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 Assistive Technology Access Network's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Louisiana Assistive Technology Access Network's compliance with those requirements.

In our opinion, Louisiana Assistive Technology Access Network 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 August 31, 2010.

### Internal Control Over Compliance

Management of Louisiana Assistive Technology Access Network 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 our audit, we considered Louisiana Assistive Technology Access Network's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Louisiana Assistive Technology Access Network's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Louisiana Legislative Auditor, 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.

Yours truly,

*Hawthorn, Waymouth & Carroll, L.L.P.*

**Louisiana Assistive Technology Access Network  
Schedule of Audit Findings and Questioned Costs  
Year Ended August 31, 2010**

**SUMMARY OF AUDITOR'S RESULTS**

- A. The auditor's report expresses an unqualified opinion on the financial statements of the Louisiana Assistive Technology Access Network.
- B. No significant deficiencies were disclosed during the audit of the financial statements and reported in the 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*.
- C. No material weaknesses were disclosed during the audit of the financial statements and reported in the 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*.
- D. One instance of noncompliance material to the financial statements of Louisiana Assistive Technology Access Network was disclosed in the 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*.
- E. No significant deficiencies relating to the audit of the major federal award program are reported in the Report On Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133
- F. The auditor's report on compliance for the major federal award programs for the Louisiana Assistive Technology Access Network expresses an unqualified opinion on its major federal programs.
- G. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
- H. The program tested as major program included:

<u>Program</u>	<u>C.F.D.A. #</u>
State Grant for Assistive Technology Program	84.224A

- I. The threshold used for distinguishing between Type A and B programs was \$300,000.
- J. Louisiana Assistive Technology Access Network does not qualify as a low-risk auditee.

**Louisiana Assistive Technology Access Network  
Schedule of Findings and Questioned Costs  
Year Ended August 31, 2010**

**Findings - Financial Statement Audit**

*2010-01 Cash in Excess of FDIC Insurance*

Condition

LATAN's deposits of public funds with one financial institution exceeded the amount insured by the Federal Deposit Insurance Corporation (FDIC) and pledged securities August 31, 2010. L.R.S. 49:321 requires that funds shall not exceed at any time the amount insured by the FDIC in any one banking institution, unless the uninsured portion is collateralized by the pledge of securities. These funds were related to the Alternative Financing Program.

Recommendation

We recommend the Organization monitor its deposits with financial institutions on a monthly basis to ensure that they do not exceed the FDIC insured and pledged securities amounts.

Management's Response

The Organization has made proper communications with the bank and the accounts are currently coded as public funds and are adequately collateralized.

The Organization has established a monitoring policy whereby the President & CEO and the Financial Loan Program Director will each receive and review copies of the monthly collateralization of public funds.

**Louisiana Assistive Technology Access Network  
Schedule of Prior Year Findings  
Year Ended August 31, 2010**

None.